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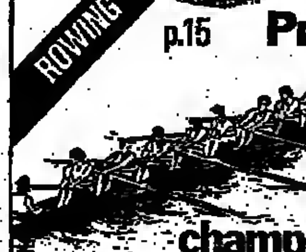

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NEWS SUMMARY

GENERAL

Ministers fear big spy scandal

The Government is bracing itself for a major spy scandal over suggestions of infiltration of its secret communications headquarters at Cheltenham.

Yesterday, ministers were tak- seriously reports of a security breakdown, and feared that the incident could develop into the biggest scandal since Kim Philby.

The Prime Minister is to be uestioned in the Commons about security at the centre, which deal s with top secret intelligence reports from around the world.

Mr Alan Beith, the Liberal chief whip, yesterday submitted a Commons question to Mrs Thatcher asking whether, as head of security, she is satisfied with security arrangements at Cheltenham.

Emergency calls

The police and Army will answer emergency calls during next week's three-day National Health strike, Social Services Secretary Norman Fowler said. Page 6

Legal move

Sir John Donaldson, 61, a Lord Justice of Appeal and former president of the National Industrial Relations Court, will succeed Lord Denning as Master of the Rolls. Page 4; Man in the News, Back Page

Bank charges

Lloyds Bank is to charge 50p for cashing the cheques of customers of other banks, except National Westminster Bank and Coutts. Page 4

Moon jailed

"Moonies" leader Reverend Sun Myung Moon was jailed for 18 months in New York and fined £14,500 for tax evasion.

Back to prison

The hijackor of an Italian airliner to Bangkok last month, Sepala Ekanayake, 33, could not raise £14,000 bail and was returned to prison in Colombo, Sri Lanka.

Soviet ban

The mother of Soviet Jewish activist Anatoly Shcharansky was not permitted to see him in prison in Chistopol after she travelled 500 miles from Moscow.

U.S. arts find

Paintings by Picasso and Monet were among works of art valued at £2m recovered by police after a theft from a New York home. Four men were charged.

Flights hit

Almost all foreign flights by the Greek state Olympic Airways were cancelled when cabin crews began a four-day strike over pay.

Cheers

The Federation of Champagne Producers predicted a bumper 1982 harvest equivalent of 200m-220m bottles compared with 90m last year.

Briefly...

Two women and four men were held by Glasgow police under the Prevention of Terrorism Act.

Former boxing champion Sugar Ray Robinson, 62, is undergoing tests in a Los Angeles hospital.

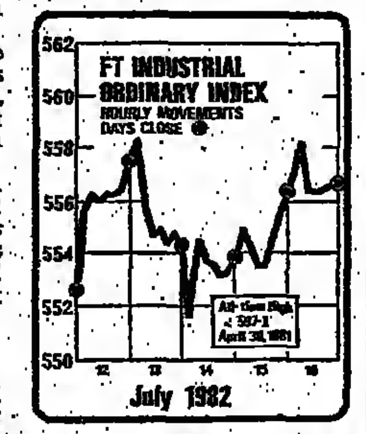
Four died and 50 are ill from salmonella food poisoning in two Lancaster hospitals.

BUSINESS

Gilts firmer; dollar weakens

● GILTS were firm on interest rate hopes and inflation news, with longs rising as much as ½. The Government Securities index *rose 0.15 to a 20-month high of 71.19.* Page 24

● EQUITIES improved, although the FT 30-Share index,



affected by Glaxo's weakness, added only 0.3 at 556.7. Page 24

● DOLLAR *lost ground ahead of U.S. money supply figures.* It was down to DM 2.4775 (DM 2.4955), SwFr 2.1025 (SwFr 2.1225) and Y254 (Y256.1). Its Bank of England index fell to 121.0 (121.3). Page 23

● STERLING gained 20 points to $1.7225 but was otherwise easier at DM 4.27 (DM 4.295), SwFr 3.625 (SwFr 3.6525) and FFr 11.855 (FFr 11.945). Its trade weighting was 90.8, against 91.0. Page 23

● *GOLD fell $5 in London to* $345. In New York the Comex July close was $349.9 ($344.1). Page 23

● WALL STREET was up 3.62 at 830.96 before the close. Page 20

● BL is to tell the Government it will have to buy more components abroad if overseas tariff barriers are not lowered. Back Page

● MASSEY FERGUSON told its lending group of 24 Canadian and U.S. banks it will suspend interest payments on loans of $330m (£192m).

● DIAMOND INTERNATIONAL, U.S. forestry products group, *is to sell four divisions* to Jefferson Smurfit, Dublin paper products maker, and Clark Enterprises of Chicago, for $85m (£49m).

● EEC Commission fined six Dutch subsidiaries of multinational companies $1.4m (£824,000) for anti-competitive practices in the tobacco trade.

● PROPOSALS to attract private finance into road-building are unworkable, civil engineering leaders will tell the Government. Page 4

● FINNISH inflation fell to 9.4 per cent last month, a two-year low.

● FOBEL INTERNATIONAL, DIY, electrical and electronics group, saw pre-tax profit recover to a record £2.1m (£36,000) in 1981 despite heavy UK losses. Page 18

● HARRISONS MALAYSIAN Estates reported profits before tax down from £23.23m to £22.57m for the year to March 31. Page 18; Lex, Back Page

● ELI LILLY, U.S. medical care, chemicals and cosmetics group, reported second-quarter net earnings up 22 per cent at $93.2m (£54.2m). Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 15½pc 1998	£117¼	+ ½
AB Electronic	227	+ 12
AGB Research	305	+ 18
Bristol Ev'ng Post	243	+ 30
Eurotherm	448	+ 6
Eva Inds.	38	+ 14
Fobel Intnl.	25½	+ 10
Greenbank Indust.	46	+ 9½
Gresham House	140	+ 6
ICI	302	+ 6
Lister	83	+ 4
Lloyds Bank	352	+ 7
Midland Bank	333	+ 7
NatWest Bank	440	+ 8
Old Swan (H'rogate)	74	+ 8
Sothebys	305	+ 15
Stroud Riley Drmnd	55	+ 3
Syltone	197	+ 7
Thorn EMI	405	+ 5
Durban Deep	720	+ 24
FALLS		
Beecham	290	− 6
Bemrose	132	− 8
Glaxo	753	− 43
Hambro Life	251	− 21
Hambros Bank	100	− 6
Kitchn (Rbt) Taylor	124	− 6
Martin (R. P.)	293	− 7
Pilkington Bros.	188	− 5

Tory pressure grows for Government to stimulate industry

BY PETER RIDDELL, POLITICAL EDITOR

GOVERNMENT action this autumn to help stimulate British industry is being urged by a growing group of ministers and Tory MPs from manufacturing areas in view of the flat state of the economy.

There is pressure from both politicians and businessmen for fiscal measures to aid industry in addition to demands for a lowering of interest rates. There are also calls for Government action in response to the sharp rise in imports, especially of motor vehicles.

The campaign has developed momentum in the last two or three weeks as evidence has mounted of the weak state of industry and the absence of the recovery promised in the March Budget.

Three main groups are operating in parallel. First, within the Government, Department of Industry ministers are known to be very worried about recent reports from companies. They believe further action is needed to help reduce business costs, though no one is advocating large-scale reflation.

Mr Patrick Jenkin, the Industry Secretary, Mr George Younger, the Scottish Secretary, and Mr Nicholas Edwards, the Welsh Secretary, all favour measures in the autumn. A major package of concessions on energy costs looks unlikely and their main preference is for a further cut in the employers' national insurance surcharge.

Second, on the Tory backbenches, there has been a marked build-up of concern among MPs of all views, mainly from industrial areas such as the Midlands.

Their worries have surfaced in private meetings, in Commons questions on the economy and industry this week and in a series of deputations to ministers on particular problems, such as motor industry and engineering imports from Spain and hire purchase controls on cars.

Third, the Confederation of British Industry's council next Wednesday will consider whether to press for an autumn package of help, including a cut in the national insurance surcharge plus additional public sector capital investment projects.

No decisions are likely to be taken by the Government until the autumn. The Treasury wants to see how the U.S. economy develops and to await the revised economic forecasts in October before making any reassessment.

Mrs Thatcher and the Treasury are, at present, not persuaded of the case for early fiscal action. Their preference over the next few months is for a further reduction in interest rates.

There is, however, a lively debate among economic decision makers about how far this should be tied in with any cut in U.S. interest rates or whether a risk should be taken with the sterling exchange rate.

On the fiscal side, Mrs Thatcher and the Treasury are looking ahead to the Budget next spring and to cuts in income tax rather than to further large-scale help for industry.

The campaign for an autumn package is likely to develop in the late summer and early autumn if there are no signs of a pick-up by then.

The so-called "wets," the

Continued on Back Page
Editorial comment, Page 16

Ambrosiano debts cause international concern

BY DUNCAN CAMPBELL-SMITH AND WILLIAM HALL

INTERNATIONAL banks are becoming increasingly concerned about the apparent failure of Banco Ambrosiano to honour the obligations of its Luxembourg subsidiary, Banco Ambrosiano Holdings, whose debts are a major element in *the financial scandal surrounding* Italy's Ambrosiano group.

The affair is widely seen as the first real challenge to the Basle Concordat, the agreement between central bankers of the industrialised countries about the division of central bank supervisory responsibilities when a multinational commercial bank runs into difficulties.

The concordat, framed after the collapse of the Herstatt Bank and several others in the early 1970s, is regarded by bankers as a key element underpinning the smooth workings of the euromarkets. Any challenge to its authority could have damaging consequences for confidence in the international banking system.

Some 250 banks are believed to have lent in excess of $400m (£232m) to Banco Ambrosiano's Luxembourg subsidiary. Earlier this week, Midland Bank, as agent for a $40m syndicated loan to the company, called it into default following the non-arrival of a $10m payment of *interest and principal.*

This action triggered several cross-default clauses and several other major lenders have since called their loans to Banco Ambrosiano Holdings, Luxembourg, into default. The assets of the holding company have been frozen following a court action in Luxembourg.

Banco Ambosiano, the Italian parent, which ran into financial difficulties, is being supported by a consortium of six Italian banks. However, the rescue consortium is limiting its operations to the Italian activities of he group and it is unclear whether the rescuers wil come to the aid of the banks which have lent to the Luxembourg subsidiary.

The matter is complicated since the Luxembourg operation is not a bank and most of its borrowings did not carry a guarantee from the parent bank. Also since some 30 per cent of the shares of the Luxembourg offshoot are held by outsiders and no one has any *clear idea of the quality of the* assets underlying the loans in which it is involved.

Many banks believe that Banco Ambrosiano and the Italian authorities have a duty to come to the aid of Banco Ambrosiano Holdings.

The Basle Concordat, which was drawn up to cover such situations, says that "the supervision of solvency of foreign branches should be essentially a matter for the parent authority. In the case of subsidiaries, while primary responsibility lies with the host authority, parent authorities should take account of the exposure of their domestic banks' foreign subsidiaries and joint ventures

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EEC to study Berisford merger

BY LARRY KLINGER IN BRUSSELS AND RAY MAUGHAN

THE European Commission is to investigate the £282m bid by S & W Berisford, the UK commodity trading group, for British Sugar Corporation.

The investigation, which is expected to run for about six months, has been prompted by fresh evidence presented to the Comptition Directorate of the Commission by British Sugar and unnamed commodity dealers.

But the arrangements whereby Berisford lifts its stake in British Sugar to 50.52 *per cent by purchasing a 10.5* per cent holding from Ranks Hovis McDougall have not been frozen—despite petitioning by British Sugar. Berisford's shareholders will meet on July 30 to vote on the deal with RHM.

The Competition Directorate said yesterday that it "has no reason to doubt the effectiveness of a possible prohibition of the merger at a later stage and a possible order to divest."

Berisford's first approach 27 months ago was referred by the Office of Fair Trading to the *Monopolies Commission* during the summer of 1980 and cleared nine months afterwards. However, given the failure of the earlier offer, the OFT now regards the prospective purchase of RHM's stake as constituting an entirely different bid and is investigating the merger position anew. It expects to be in a position to advise Lord Cockfield, the Trade Minister, before July 30.

British Sugar has responded with a letter to its shareholders from Sir Gerald Thorley, the chairman, attacking the offer as inadequately priced and lacking commercial logic.

The offer "would be bad for shareholders, employees, customers and the UK agricultural industry," Sir Gerald says.

British Sugar has revised its forecast dividend for the year to September 30 from "not less than" 35p to 45p per share, which it maintains would still be fully covered by earnings.

The defence, through its newly appointed financial advisers, N. M. Rothschild and Sons, has been making representations to the Takeover Panel. Rothschild has argued that the EEC investigation is "exactly analogous" with a *reference to the Monopolies* Commission therefore the transfer of a majority control through the RHM purchase would create a false market in British Sugar shares until the Competition Directorate's ruling was made known.

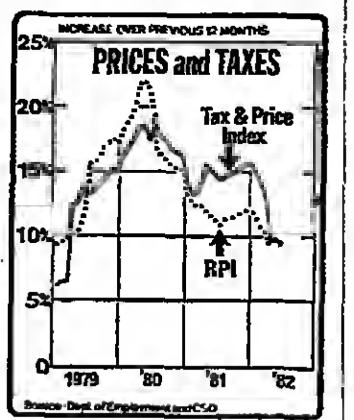
The panel's reply is expected next week.

Rate of inflation declines again

BY ROBIN PAULEY

THE INFLATION rate in Britain fell again last month, when retail prices were 9.2 per cent higher than in June 1981, representing the lowest rate of increase since December 1978.

The retail price index figures, published yesterday, were better than expected, and drew immediate claims from Mr Patrick Jenkin, the Industry Secretary, and Mr Nicholas Ridley, junior Treasury Minister, that they proved the



Government's economic policy was working.

The RPI for all items was 332.9 in June (1974=100), an increase of 0.3 per cent over May, which itself had seen a rise of 0.7 per cent on the previous month and a 9.5 per cent advance on a year before. The June rise was lower than generally expected probably because petrol price increases during the month had less impact than had been feared.

The 9.2 per cent year on year rate for June reinforces optimism that the figure will fall to below 9 per cent well before the end of the year as predicted by the Government. There is still

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£ in New York

—	July 15	Previous
Spot	$1.7160-7170	$1.7820-7830
1 month	0.26-0.51 pm	0.27-0.32 pm
3 months	1.09-1.14 pm	1.10-1.15 pm
12 months	4.15-4.25 pm	4.20-4.30 pm

Aslef leaders resist TUC call on rostering

BY PHILIP BASSETT, LABOUR CORRESPONDENT

LEADERS OF the Trades Union Congress yesterday pressed officials of the train-drivers' union, Aslef, to recall its policy-making annual conference to reconsider the flexible-rostering issue at the heart of the British Rail strike.

At a specially-convened meeting of the TUC's finance and general purpose committee, its "inner Cabinet," Aslef leaders were however, to be resisting pressure to recommend acceptance of BR's proposals on flexible rostering to any recalled conference.

The meeting was continuing after nine hours. During these the committee saw the three rail unions separately and was in contact with the Advisory, Conciliation and Arbitration Service.

The TUC's apparent proposals would, in any case, almost certainly not be sufficient for the British Railways board either to withdraw the flexible rosters currently being enforced, which sparked off the strike, or to prevent the shut down of the rail network from Wednesday and sacking of all striking train-drivers.

The TUC meeting began amid stormy scenes outside its London headquarters. Aslef members cheered Mr Ray Buckton and left-wing TUC leaders who are urging full support for the train-drivers.

The left-right divisions were emphasised yesterday by donations from the left-led television union whose general secretary, Mr Alan Sapper, is this year's TUC chairman, and from the Furniture Union, led by Mr Ben Rubner, a member of the Communist Party.

Right-wing leaders of such unions as the Engineering Workers and the General and Municipal Workers, however, are thought to be less keen on giving unequivocal support to the train-drivers. Mr Buckton was cheered. Mr Sidney Weighell, moderate leader of the rival National Union of Railwaymen, however, looked shaken as he was led through the pickets by four policemen.

The rising level of drivers' anger was reflected in reports of increasingly active picketing across the country. Police confirmed reports that Aslef members had approached at their homes the wives of train-drivers in Kent who have been turning up for work.

The number of trains run by BR was maintained yesterday, in sharp contrast to the fall in services on Friday. By 4 pm BR had run 1,234 trains, compared with *1,187 at the corresponding* time on the previous day. The projected total to midnight was 1,939 trains, compared with the 1,890 which ran on Thursday.

The number of drivers who had worked by 4 pm yesterday was 720. Of those, 415 were Aslef members and 305 from the NUR. The projected total was 860 compared with the 841 who worked *on* Thursday. These comprised 507 Aslef members, by far the highest total so far, and 334 NUR members.

BR yesterday formerly confirmed it was considering a ballot of its employees on the future of the rail network.

The NUR, meanwhile, yesterday sent a letter to all its 1,500 members who are train drivers. It offered them the option of not being dismissed after next Tuesday if they returned to BR area managers by Monday an enclosed letter accepting flexible rostering.

Signing the letter would also commit the NUR drivers to making every effort to work normally. The letter, restated the legal advice given to the NUR that, if members refused to cross Aslef picket-lines they would render themselves liable for dismissal even though they were not actually on strike.

Elinor Goodman writes: In the Commons yesterday Mr Michael Foot, the Labour leader, tried to divert public anger about the strike away from Aslef and the Labour Party, and on to the Government. He said it had been the Government's unwillingness to honour its side of the bargain about investment in the industry which had led to the dispute.

Threat to emergency services, Page 6; Foot blames Government, Page 6

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France strongly denies secret protocol allegation

BY DAVID HOUSEGO IN PARIS

FRANCE and the U.S. sharply quarrelled yesterday over French credits to the Soviet Union. The fresh dispute worsens the already deteriorating relations between Paris and Washington.

In unusually strong language, the French Government denied the accusation of a U.S. official, reported in Washington, that France had concluded a secret protocol with the Soviet Union in 1980 about credit terms. The official was quoted as saying the agreement had prevented the U.S. from securing a united front amongst western governments at the Versailles conference.

"The French Government "denied categorically" the existence of a secret protocol but conceded that financial agreement ha dbeen signed with the Soviet Union. This had been communicated to the Organisation for Economic Co-operation and Development (OECD) "and in consequeoce to the United States."

Diplomats in Paris, elaborating on the comments of the unnamed official, said yesterday that the protocol specified that 85 per cent of any jointly-agreed French-Soviet projects would be financed by Government-guaranteed French credits.

The diplomats said that such an accord cut the ground from a U.S. proposal that the Russians should be asked to make a substantial down payment (possibly 30 per cent) of any contract as a way of forcing them to use their foreign exchange reserves or borrow on commercial terms on the western markets.

The diplomats add that the French-Soviet agreement had been known about for some time, but that in the spring American officials questioning the French on whether there was any re-negotiation clause or other elemeots of flexibility in it were told by the French that nothing could be done. It was then that the U.S. asked to see the document, which was refused.

The French denial of the Washington report was accompanied by the bitter retort that the Government found it astounding that an anonymous U.S. official could spread "allegations so far from the truth." The Government point of view was underlined by former President Valery Giscard d'Estaing who was in power in 1980, who was reported as saying yesterday that the U.S. accusations were "born of fantasy and irresponsible."

At the Versailles summit the French, along with other Western Governments, agreed to limit new credits to the Soviet Union in the light of "commercial prudence." This formula was not judged satisfactory by the U.S. at the time—and even less so when President Mitterrand qualified it afterwards by saying that each nation would itself judge what was prudent.

But during the Versailles conference most other governments were also opposed to going as far as the U.S. wanted over curbing credits to the Soviet Union.

Since then, the French Government has been angered by President Reagan's decision over further restricting high techoology equipment for the gas pipeline and by U.S. measures against European steel imports. This came on top of resentment over high U.S. interest rates and the strength of the dollar. Last month President Mitterrand took the unusual step of delivering a strong rebuke to the U.S. after a weekly cabinet meeting in which he said that American policy was aggravating the crisis in Europe.

Hayden's narrow win brings poll nearer

By Colin Chapman in Sydney

MR BILL HAYDEN, Australia's Opposition Leader, yesterday beat off a formal challenge to his leadership from Mr Bob Hawke, but the narrowness of his five vote victory within the parliamentary Labor Party ensures that he has a tough time to estore unity before the next general election.

Mr Malcolm Fraser, the Prime Minister, has already dropped broad hints that this may be called later this year, 12 months before it is duc. Yesterday's decision will do little to deter him, especially as the opinion polls indicate he would defeat Mr Hayden hnt not Mr Hawke, the former President of the Australian Council of Trade Unions.

Mr Hayden formally resigned as leader of the Australian Labor Party (ALP) before yesterday's Canberra vote, and without any ado, and with no speeches from either candidate, the issue was put to a secret ballot, which Mr Hayden won by 42 votes to 37.

After his defeat Mr Hawke said he would now work "flat out" for an ALP victory in the next election, and pledged that he would not launch another challenge before then. For his part Mr Hayden said that his opponent had "quite clearly established his credentials and position in the Labor Party" —clear endorsement of Mr Hawke as his natural successor.

Mr Hayden is now to take two weeks holiday, and then will return to Canberra to reshape his shadow cabinet. In the final days of the leadership battle he was forced to call on leading left-wing members for support after the key Centre Unity group in New South Wales, led by Mr Paul Keating, decided to vote for Mr Hawke. The Left is expected to press him for increased influence in return.

U.S. wholesale prices rise by 1%

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

U.S. WHOLESALE prices rose by a full 1 per cent in June, the biggest increase in 15 months, the Labour Department reported yesterday. Government economists, however, said that the rise was "not nearly so bad as it looks on the surface." Controlling inflation has been the main economic success story so far claimed by the Reagan Administration.

Mr Robert Ortner, chief economist at the Commerce Department, said that temporary bulges in energy prices and cutbacks in new car rebate programmes had contributed to more than half of the increase.

Eliminating those two items would bring the index in line with the more moderate 0.3 per cent rises that have generally been recorded in recent months, he said.

The White House said that it hoped that the June increase in oil prices would be temporary, bringing inflation back into single figures.

The Labour Department translated the June figure into an annual rate of wholesale price increases of 13.3 per cent, but officials pointed out that the index had actually only risen by 3.5 per cent in the 12 months since last June.

Meanwhile, the Federal Reserve Board said that U.S. factories were operating at only 69.8 per cent of capacity last month, the lowest level in more than seven years.

The figures for capacity utilisation in manufacturing and industrial materials were 10 to 12 percentage points below last year's rates, and close to or below the lows of March 1975.

● U.S. officials yesterday expressed "cautious optimism" that an agreement could be hammered out to settle the damaging trade dispute with the EEC over cheap European steel exports to the U.S. market.

But as high-level talks in Washington were extended beyond their original deadline, there was no clear indication that agreement on voluntary restraint on their exports would be reached with the Europeans, who are accused by the U.S. of subsidising their sales.

Officials said that even if an agreement was worked out, the details could not be announced until the steel industry on both sides of the Atlantic had been consulted.

The talks, a continuation of negotiations which ended inauspiciously in Brussels at the end of last week, were being conducted by Viscount Etienne Davignon, the EEC Industry Commissioner, Herr Wilhelm Haferkamp, the European Commission's vice-president for external relations, and Mr Malcolm Baldridge, the U.S. Secretary of Commerce.

Romanian debt rescheduling may be finalised soon

BY DAVID BUCHAN

WESTERN governments hope to finalise at the end of this month an agreement rescheduling payment of Romania's \$400m (£231m) official debt which falls due this year or is unpaid from last year.

This accord, coupled with resumption of lending to Romania by the International Monetary Fund under new policy conditions agreed last month, will remove important practical and psychological obstacles to Western commercial banks rescheduling a much larger sum—\$2.8bn—which Romania owes them this year.

Romania asked its main 15 creditor governments in the West to a meeting in Paris last week. It proposed that 80 per cent of the \$500m it owes this year in principal and interest on loans underwritten by Western governments and credit agencies should be converted into a new 6½-year loan. Repayments on the rescheduled debt would start after three years.

Western government negotiators initialled their approval, and this is expected to be ratified at another meeting in Paris at the end of the month. U.S. officials said yesterday this did not constitute a precedent for a shift in policy towards Polish debt.

The Reagan Administration instigated the Nato move this year to refuse to discuss rescheduling Poland's official debt while martial law persists. But, like previous U.S. Administrations, it has given some economic support to Romania for its maverick foreign policy.

The unsolved Polish debt problem continues to cast a long shadow over the hopes of other East European countries raising fresh finance in the West. But the general climate will be improved if Romania can reach rescheduling agreements with all its creditors this year.

The Romanian economy remains on the problem list, with rationing of some basic foods, shortages of consumer goods and an over-ambitious and money-losing industrial sector. President Ceausescu admitted this when he reshuffled his government in May.

But, with relations with the IMF restored, Romanian officials are painting a brighter picture. Mr Nicole Eremia, chairman of the Foreign Trade Bank, recently forecast that the country's hard curency trade surplus would rise from \$204m last year to \$550m this year. The deficit on current account—which combines trade with transfers like debt repayments—would narrow to \$450m this year, Mr Eremia said.

An unofficial steering group of nine major Western banks has been leading the discussions on rescheduling Romania's commercial bank debt. Romania has proposed the same period —six-and-a-half-years— for repayment of the 1982 bank debt.

Unlike the Western governments, the banks have insisted that interest payments be kept current, not rescheduled, since this is important to their shareholders. The bankers are also resisting Romania's desire to include in their rescheduling agreement short term debt which is excluded in the deal with governments.

The official-debt rescheduling discussions started much later than those on commercial debt, but have finished earlier. The reason is that only 15 governments are involved in the former, while Romania has more than 200 private creditors in the West, all of who have been or will have to be consulted on the commercial rescheduling. However, the banks will be relieved that the governments have not negotiated better terms with Romania than the banks have been offered.

Shultz brings relief to Capitol Hill

By Reginald Dale in Washington

"A REMARKABLE EXAMPLE of damage control," said Mr Paul Tsongas, the liberal Democratic Senator from Massachusetts. He was referring to the unruffled performance by Mr George Shultz, the new U.S. Secretary of State, at his Senate confirmation hearings this week.

Three weeks ago, the 61-year-old Mr Shultz was on a business trip in London, "just doing my job," as he put it, as president of the California-based Bechtel international construction and engineering company. On Thursday, he was unanimously confirmed by the Senate as the successor to the prickly Mr Alexander Haig, after confessing to be "very surprised" at being offered one of the most powerful jobs in the world.

Mr Shultz's questioning by the Senate Foreign Relations Committee was deferential in the extreme. After the irascibility—and unpredictability—of Mr Haig, there was an almost audible sense of relief on Capitol Hill that a responsible, respected and widely-popular figure was being proposed to replace him.

Mr Shultz is well-known in Washington. He was Secretary of Labour, Budget Director, and Secretary of the Treasury under President Nixon, resigning untainted by Watergate in 1974. Many people had expected him to become President Reagan's first Secretary of State 18 months ago.

He has been at Bechtel for eight years, ending as president. He worked closely at the company with fellow Californian, Mr Caspar Weinberger, the hawkish Defence Secretary, leading to speculation in Washington that the traditional feuds between the Pentagon and the State Department may be less bare-fisted than under Mr Haig.

He has also worked as an unofficial ambassador for the Reagan Administration, helping to prepare last month's Versailles seven-nation world economic summit. The expectation is that he will assume at least one of Mr Haig's mantles, that of the best friend of Europe in the Californian-orientated Reagan Cabinet. He is a good friend of Herr Helmut Schmidt, the West German Chancellor, and in 1976 was awarded the ribbon of the Legion of Honour, complete with two kisses on the cheek from the French ambassador in Washington.

At his confirmation hearing this week, Mr Shultz did not step out of line. He made it clear that he would be a good "team player," that Ronald Reagan was "the boss," and that his role would be to advise on foreign policy, rather than to formulate it—unlike the monopoly position aspired to by Mr Haig. He will certainly be much more of an insider in a White House increasingly dominated by Mr William Clark, the National Security Adviser, than was his "loner" predecessor.

If he betrayed any slight shift of emphasis it was on the Middle East and Taiwan. Mr Shultz, through his Bechtel connection, has had many dealings with the Arab world, and particularly Saudi Arabia, and precious little with Israel. This came through in his answers to the Senate committee.

Of course, he stressed that the U.S. will continue to maintain a special relationship with Israel, which remains its "closest friend in the Middle East." But he was rather more forthcoming than the pro-Israeli Mr Haig, in tone, if not in substance, about the need for Palestinian representation in the peace process, and he said some very flattering—and entirely accurate—things about Arab values and civilisation. The Palestine Liberation Organisation immediately welcomed his remarks.

He took an ever-so-slightly more pro-Taiwan stand than Mr Haig, who had thought that the U.S.'s strategic relations with Peking should have overriding importance. He clearly does not plan to upset Mr Reagan's right-wing backers in the way that the "dovish" Mr Haig did.

Criticism grows in U.S. over failure of Penn Square bank

BY DAVID LASCELLES IN NEW YORK

U.S. BANK regulators are likely to face growing criticism for their handling of the Penn Square bank failure in Oklahoma last week which brought losses amounting to over \$400m (£232m).

Preliminary hearings on Capitol Hill this week produced a foretaste of the kind of pasting that is in store for the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, the two agencies most directly involved.

Mr Fernand St Germain, chairman of the House Banking Committee, said he was deeply concerned that the authorities had not acted sooner to save the bank from collapse, and he said the affair showed the need for better supervision.

Concern centres on the fact that the Comptroller of the Currency had identified Penn Square as a likely problem in 1980 and had subjected it to frequent examination. Poor management practices, doubtful loans and over-exposure to the energy industry were among its weaknesses. Yet major banks continued to participate in Penn Square loans, and depositors were placing large sums with it only days before it collapsed.

According to banking officials, the Federal Reserve Board, which is also responsible for the soundness of the banking system, wanted to avert a collapse by merging the bank with a stronger institution. But the Comptroller's office and the FDIC doubted that this would work. Senior New York bankers believe the closure was the right course because, as one said "that is what the market demanded."

The FDIC and Comptroller's office officials who testified this week emphasised that Penn Square was an "aberration." But they said they had ordered the bank to expand its capital and tighten its controls. As late as last January, they believed that problems were being rectified and that Penn Square would pull through. But matters worsened.

This week's hearings were preliminary to a full-scale Congressional investigation beginning on August 11 at which the bank regulators are expected to come under fire.

Seafirst, the large Seattle bank which lost at least \$125m from the failure, yesterday announced that the head of its energy lending division had resigned, and the head of its credit administration group had retired. The Bank also appointed a new chief financial officer. Continental Illinois Bank of Chicago, which also bore the brunt of the failure, is expected to announce the full extent of its losses next week.

Approval for UK shipyard fund is withheld

By John Wyles in Brussels

THE EUROPEAN Commission revealed yesterday that it was withholding approval of the British Government's £50m intervention fund which came into force yesterday to help UK shipyards compete in world markets.

However, the Commission is likely to allow the fund to operate at least until the end of the year, although there is some doubt as to whether it can run for the full 12 months.

The fund provides production subsidies of up to 17 per cent of a British shipbuilding contract price and 18 per cent in the case of Belfast's Harland and Wolff.

Shipbuilding subsidies in the Community are controlled by the EEC's 5th Shipbuilding Directive which requires aids to be linked to restructuring and programmes and which expires at the end of this year.

Although the Commission is not linked to any further has noted that the UK's application of approval for the latest intervention fund—its fifth—is not linked to any further restructuring programme, its concern appears to be to avoid approving any measures which might complicate the task of working out a successor to the Fifth Directive.

Neither the Commission nor any member states have any clear ideas on this, which suggests that the directive may be extended without major changes. But Britain and West Germany, among others, are arguing that the shipbuilding industry ought to be allowed a breathing space in view of the huge reduction in employment which has already taken place in several member states.

This would mean abandoning the automatic requirement for further cuts in return for permission to provide aids and subsidies. In its application, the UK justified its latest intervention fund as allowing a period of "consolidation" after a six-year rundown of plant and employment.

Dublin hints at devolution link with security

By Our Dublin Correspondent

THERE ARE hints in Dublin that the current impasse over political progress in Northern Ireland could threaten security and legal co-operation between Britain and the Irish Republic, of the kind which led to the conviction this week of London bomber Gerard Tuite.

A leading article in yesterday's Irish Press, the newspaper associated with the ruling Fianna Fail party, said that, if the political development of Northern Ireland was held to be none of the repnhlie's husiness, then the security of Northern Ireland was not its business either.

Mr Charles Haughey, the Prime Minister, made no reference to security co-operation when winding up the adjournment debate before Parliament rose for the summer recess. Bnt he accused the British Government of departing from what he understood to be the position accepted at the Anglo-Irish summits that the two countries would join in promoting arrangements to reduce tension and reconcile the peoples of the two parts of Ireland.

The Government is not adding to the comments of Mr Gerry Collins, the Foreign Affairs Minister, in the Dail on Thursday. He said the Irish Government would play its full part in political, economic and security co-operation bnt, be added, "we expect the British Government to do the same, whotever our temporary differences."

TOKYO PRODUCES PRODUCTIVITY STUDY

Japan still lags behind the West

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN still lags behind most Western nations in overall productivity levels, despite its reputed achievements in raising industrial productivity, a study by the Japanese Productivity Centre shows.

The centre is the first organisation of its kind to have published figures for "absolute" levels of productivity in various countries, instead of for rates of progress.

The study shows that if all types of economic activity are included, Japanese productivity levels were about 63 per cent of the U.S. level in 1979 and about 70 per cent of the levels for France and West Germany.

The only Western country that lagged behind Japan was the UK with a productivity rating of about 95 compared with the Japanese rating of 100.

Apart from revealing a fairly wide gap between Japanese productivity levels and those of advanced Western countries, the study shows that the rate of increase in Japanese productivityq between 1973 and 1978-79 was not much different from the rates recorded for European nations such as France, West Germany and Belgium. The UK and the U.S., however, recorded much lower gains in productivity over the same period.

Japan's most backward economic sector, so far as international comparisons are concerned, appears to be agriculture. The Productivity Centre quotes a figure of 412.1 for U.S. farm output per man, on a scale in which Japan's output equals 100.

Britain scores 249.3 on the same scale while even the notoriously inefficient farmers of West Germany are rated at 192.5. The centre emphasises, however, that it is talking about productivity per man, not productivity per acre. In terms of the amount of food produced from a given area, Japanese agriculture is among the most productive in the world.

The area in which Japan scores heavily — and in which its recent performance overshadows that of all other advanced countries—is manufacturing industry. According to the centre, Japanese manufacturing productivity grew by 45 per cent between 1973-79, easily outdistancing the increases recorded by France, West Germany and Belgium—to say nothing of the U.S. and the UK.

In absolute terms, Japan's industrial productivity overtook that of West Germany in 1978 and passed the French level a year later. The U.S., however, still retained a 7 per cent edge on Japan in terms of industrial output per man-day in 1979 (the latest year for which comparisons are available).

On a man-hour basis the U.S. lead in 1979 was an estimated 46 per cent. The difference reflected shorter working hours in the U.S. than in Japan, according to the centre.

Research staff at the Productivity Centre believe that it may take Japan another 10 years to overhaul U.S. productivity levels on a man-hour basis.

Few Polish internees decide to emigrate

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities have issued passports to 653 former internees and 1,068 members of their families, according to General Czeslaw Kiszczak, the Interior Minister. Speaking in an interview with the Polityka Weekly magazine.

Gen Kitszczak said that only eight former internees and 13 of their relatives had actually left the country as Western countries had been slow to issue visas. Last January, when the Polish authorities broached the subject of emigration, the West rejected the idea.

There are indications now, however, that this policy could be reviewed. The U.S. is said to be considering granting refugee status to a few hundred former internees and their families.

Gen Kiszczak's interview comes as the authorities have started freeing some of the 2,400 internees still being held around the country before Poland's national day on July 23.

It is thought that the Ministry of the Interior considers thot some 500 to 600 of the internees are "hard core" cases who should still be held, while the rest could be freed. Over 6,000 people have been interned since martial law was imposed, which theoretically gives them the right to leave.

The West has shown some nervousness about the flood of Poles wanting to emigrate, both former internees and ordinary poles granted passports for travel abroad. The problem could become acute should the authorities ease travel restrictions next week.

Some Western embassies have already tightened up visa procednres and it can take as long as three months to aee a consular official at the British embassy before an application is aet in train.

Crises run on time as Italy's football fever fades

BY RUPERT CORNWELL IN ROME

LA FESTA e finita. The debris from the celebrations is being cleared up, the huge green, red and white flags refurled. The exhausted heroes are home, back at last in the refuge of their families for an all-too-brief real holiday before the circus of the 1982-83 Italian football season starts to roll.

One way and another, things are pretty much back to normal. The unions are still arguing about the future of the *scala mobile* system of wage indexation, a subject which has been under debate for the past 12 months. The Government is still arguing about an economic package, promised six weeks ago, to cut the public-sector deficit. Even so, austerity is something which in Italy never quite seems to arrive.

Sig Giovanni Spadolini, the Prime Minister, has exhorted his ministers to refrain from public quarrelling until the measures have been approved —in principle by July 31. But the fresh verbal skirmishing between Christian Democrats and Socialists *frères ennemis* of his year-old five-party coalition, does not bode well for hopes that the Premier's demands will be respected.

In the meantime, the beaches are filling up as one of the country's most successful, and certainly one of its hottest summer tourist seasons moves into full swing. The weather, indeed, is starting to replace football as a news story.

Record temperatures, hitting 40 deg C (115 deg F) in Sicily at one stage, and a severe drought have led to unusually serious water shortages in many places. Bush fires are much increased, while crops are badly threatened in the south. The River Po, artery of the rich agricultural plains of the north, is at its lowest level for ten years.

Then, of course, there is the Calvi/Ambrosiano banking scandal, eclipsing anything that Paul Erdman might have dreamt up in one of his financial thrillers. The Calvi affair simply provides further proof that Italy is a place where predictions are impossible and anything may happen. Even a football victory would have been counted a miracle a little while ago, so comprehensively had the national team been written off by Italy's own sports writers.

The reputation of those baroque chroniclers of the every whim of the superstars has come something of a cropper in recent weeks, even if Italy's three mediocre draws in the opening stages in Spain left much to be desired.

Some of the main beneficiaries of the triumph are obvious. Six goals in Spain have definitively closed the sad chapter of Paolo Rossi's two-year-ban for alleged involvement in the 1980 soccer bribes scandal. The disqualification expired last April. Now the transfer value of the reinstated crown prince of Italian football has risen, according to sports papers here, to £2.5m from £1.5m, and his potential earning power from advertising alone has jumped to £400,000 a year.

Without a doubt, the euphoria created by victories against Argentina, Brazil and Poland was a factor which helped Sig Spadolini earlier this month to avoid a government crisis which looked at one point inevitable.

The whole-hearted involvement of President Sandro Pertini in the final against West Germany has only served to underline again how the 85-year-old head of state is the most popular political figure in the country.

In a deeper sense, though, the pundits and philosophers have been trying to assess the motives for the enormous outburst of joy at the World Cup success.

Was it because victory was so clear cut and straight forward? In Italy things all too often are anything but that. Was it because the country had proved itself best in a field demanding not only flair and style, but also organisation, careful training, team spirit and discipline? Or does it portend a rediscovered nationalism? Was the World Cup win Italy's equivalent of the Falkland's or was it simply as a fastidious Italian friend remarked, just a case of "bread and circuses"?

If only, as Sig Spadolini observed, the Government team could do as well as the national football team.

But the exuberance has subsided, leaving the memories. Among the most pleasant has been the sheer enjoyment displayed by the fans here: no drunkenness, no broken cans, and no-hooligan violence.

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OVERSEAS NEWS

Car plants at standstill in South Africa

BY J. D. F. JONES IN JOHANNESBURG

THE Eastern Cape sector of Sonth Africa's motor industry was at a standstill this weekend after the three manufacturers—Ford; General Motors, and Volkswagen—yesterday confirmed that their plants had been closed until the workforce returned.

The companies have been negotiating a new contract with the National Automobile and Allied Workers' Union (NAAWU), to take effect from August 1, and have offered a 9 per cent pay package. A Volkswagen spokesman yesterday said that a 10 per cent minimum wage increase had been paid last January.

The union is seeking 75 per cent on minimum rates, and members in the plants belonging to the three companies in the Port Elizabeth-Uitenhage area downed tools on Thursday.

Yesterday the workers turned up to collect their fortnightly pay but then went home. No incidents were reported.

There was trouble in the Eastern Cape motor industry exactly two years ago under similar circumstances. The managements which negotiate together as the Eastern Province Automobile Manufacturers' Association, then settled for a two-year contract, which is now expiring.

After a difficult dispnte the association agreed to raise the minimum wage from R1.15 (78p) an hour to R2 over an 18-month period.

Mr Rod Ironside, chairman of the association, who is also acting managing director of General Motors, said yesterday that the employers would not negotiate under duress and that industrial council negotiations—the next meeting had been scheduled for next Monday—would be resumed only when the men returned.

Any talks this weekend will, therefore, focus on a return to work before the wage discussions can be taken further.

Five thousand of the Volkswagen workforce of 8,400 have been involved in the strike; 2,000 of the 4,000 at General Motors; and 3,000 of the 5,500 at Ford.

The companies—three of the top six South African manufacturers—are all wholly-owned subsidiaries of their international groups.

The industry has been booming for aeveral years but is beginning to be hit by the recession.

Latest forecasts for 1982 put South African car sales at 275,000 and trucks at 135,000 compared with 301,000 and 150,000 last year. Sales for January-June 1982 totalled 150,000 and 75,300 respectively.

Cuban withdrawal central in U.S.-Angola talks

BY QUENTIN PEEL, AFRICA EDITOR

GENERAL Vernon Walters, President Reagan's diplomatic trouble-shooter, is to meet top Angolan Government officials next for a new round of talks which are certain to focus on the withdrawal of an estimated 15,000 to 20,000 Cuban troops from the country.

The issue is crucial to the outcome of the current negotiations for a peaceful settlement in neighbouring Namibia (South West Africa), because the South African Government says it will not come to any agreement without a Cuban withdrawal. At the same time Angola insists that the two issues cannot be linked.

The U.S. State Department confirmed yesterday that Gen Walters, whose title is Ambassador-at-large, and Mr Frank Wisner, the Deputy Assistant Secretary for African affairs, would be in Luanda next week "to discuss issues of mutual concern

Meanwhile, talks in New York involving the five-nation Western contact gronp seeking to promote a Namibian settlement, the South West Africa People's Organisation (Swapo), the front-line African states and United Nations officials, to finalise arrangements for UN supervision of a ceasefire and elections in the territory, have been temporarily suspended

Invading Iranians 'pushed back' by Iraqi troops

BY JAMES DORSEY IN KUWAIT AND OUR FOREGIN STAFF IN LONDON

FOREIGN STAFF IN LONDON

IRAQI FORCES have checked the invasion by Iran and may have pushed its troops back towards the border, U.S. intelligence officials said yesterday.

They reported that Iraq was putting up stiffer resistance than during earlier battles this year on Iranian territory. Iran, however, was still occupying a strip of land inside the Iraqi border and could be consolidating in preparation for another push towards the southern port city of Basra.

Both countries continued yesterday to give diametrically opposed reports of the fighting, which is believed to involve up to 200,000 men.

Iran claimed to have destroyed Iraqi infantry and tank battalions as it beat off attempted counter-attacks while the Iraqis again said they had driven the Iranians back across the border and had destroyed the bulk of the invasion force.

Tehran radio claimed that Iraqi aircraft yesterday bombed the city of Hamadan, killing 30 people and injuring another 200. No damage has been reported from the main Iranian offshore oil terminal at Kharg Island which was attacked by the Iraqis earlier this week.

Ayatollah Khomeini, Iran's religious leader, said in a message yesterday read out to thousands of demonstrators in Tehran that his aim was to topple the Iraqi regime and "to liberate Jerusalem."

"Iran can shatter Israel only hy crossing into Iraq and sacking the Government there," he said. "We will not rest as long as our demands for war reparations and the punishment of the Iraqi criminals are not met."

Air-raid sirens sounded several times in Tehran yesterday

No detailed war communiques have been issued in Baghdad or Tehran since Thursday night when Iranian forces claimed to he within five miles of Basra.

Neither Iran nor Iraq has given any specific indication of where the fighting is taking place. Diplomats say that during the last 22 months Iran has generally been specific in naming locations where Iranian and Iraqi troops were locked in battle.

Military experts, however, believe that the fighting is concentrating on Iraqi territory parallel to the Iranian border town of Husseyniyeh. These experts add that Irao has been meticulously planning its invasion of Iraq in recent weeks.

The Gulf states, which supported Iraq in the Gulf war have maintained silence since the invasion. Gulf officials say they have no clear picture of the fighting, which given the approaching end of Ramadan, the Moslem month of fasting, is taking place at "the worst possible moment."

Diplomats believe the Gulf states are iess concerned about the immediate effect of the fighting but fear that Iran, once it has established a foothold in Iraq, may wish to punish it for its support of the Baghdad regime.

Beirut diary: city under siege with a life and mind of its own

BY JAMES BUCHAN

BEIRUT, under siege, has developed a life, almost a mind of its own. The city is thinking all the time about the beseiging force up among the Aleppo pines on the hills and on the coast south of the airport. What is it doing? Why does it stop our food bnt not our medicine? Why does it shell us but not bomb us? What does it want?

The questions ripple up and down the Beirut streets where, since there is not much else to do, everybody talks. On the answers depend the future of the city, of its organised Palestinian presence, of Israel and, perhaps, the entire Middle East.

My diary of one week of questions:

SATURDAY, July 10: No eggs for breakfast: Said to be none in city. Everybody tense, first because a week of Israeli mock air raids has led people to expect the real thing, and second because of a disgraceful incident outside the hotel yesterday.

As areas of safety diminish, so the local political groups begin to squabble over occupying empty property. This led yesterday to an exchange of heavy machine gun fire and grenades across the hotel garden. Row with hotel owner about deterioration of standards.

What besieging armies do, apart from invest a city, is put walls between friends. We spend the day unaccountably apologising to each other: in the lift, at reception, by the telephone and in the street now mercifully free of heavy weapons.

Go down to south Beirut to see Mahmoud Labady, the PLO information chief, to renew my PLO Press pass that is a regrettable necessity. He is cock-a-hoop about yesterday's Syrian announcement that Damascus will not take the Palestinian leaders or fighters. His delight appears ot stem from the belief that this means the injection of a new element into the tortuous negotiations over their future—which will huy time.

Tour the main crossing points, where the Israelis are not letting vehicles through. Bump into a friend from the Red Cross at the Museum who has been talking to the Israelis up on the hill and is under the impression that their blockade tactics are becoming muddled. At the Galerie Senaan crossing I visit a mixed group of fighters who trust me and lead me to their position. Tread carefully, because they think there are unexploded "homblets" from Israeli cluster shells. They have no orders to leave. Do not have heart to tell them Arafat has signed letter saying he wants to leave. Am asleep when bombardment begins.

SUNDAY JULY 11: Still no eggs. Terific racket from the bombardment. Decide to watch from Rouche, down hy the coast and some 2 km from Israeli targets. Artillery hitting the Summerland Hotel, where they seem to think there is a Palestinian position. Nice hotel once, now burning. Not much replying fire. Are the Palestinians low on ammunition? Companion says he has been putting up with this for eight years.

Leave when mobile rocket launcher looses off from a few strets away, inviting returning fire. Fall asleep with Palestinians loosing off rockets as if no tomorrow.

MONDAY, JULY 12: All bushed, eggs for breakfast. See Tewfiq al Mahann, of the National Social Syrian Party, which is a feudal, basically non-Maronite Christian organisation in the Upper Metn area.

He is very worried about the Phalange — Bachir Gemayel's Maronite Christian militiamen — moving into the Upper Metn where 12 of his people were killed on Sunday. I see his worries about Phalange taking advantage of Israeli power to move out of their traditional base at Mount Lebanon. This would mean return to civil war era.

Manage to track down some uniformed Syrians, who in much better frame of mind now Syria involved in negotiations. Talk about their home towns constantly. Escape from their hospitality only by pleading expense of waiting taxi.

Bump into Bassam Abu Sharif, spokesman of the Popular Front for the Liberation of Palestine, who is well pleased at the casualties inflicted on Israelis on Sunday — three dead and 28 injured. He is now talking about "adjusting" relationship between Palestinians and Lebanese Government when week hefore he was talking about survival with honour. Is he dreaming?

Others are talking about new 11-point plan which is to go to the negotiators sitting up in the hills. So detailed and boring I can scarcely hear to read it. One of the few remaining diplomats tells me there is not much talking going on.

TUESDAY, JULY 13: Laundry returns missing three shirts, all socks, and with selection of what looks like North American underwear. Decide not to make a fuss. Spend most of morning with Palestinians in south of the town. They say the Israelis have run out of military options. World opinion will not let them homb the city, hlockade it effectively or move in and capture it. Are they dreaming?

Go and see Saeh Salam, the West Beirut Muslim elder statesman who is acting as channel for Palestinian views. Deeply covet his shelf full of rare hooks on Saudi Arabia. Shoeshine hoy vanished from position on stairs where he set himself up last week to handle Palestinian and journalist traffic to great man's office. This had sign. See Dr Saliba at Central Bank who deeply anxious that once killing stops pent-up demand will produce Israeli-scale inflation while Israel may use Lebanon as captive market for farm goods and manufactures. We both depressed.

At 6.15 car bomb explodes outside Palestinian "research centre" injuring 52. Cannot approach because local armed elements firing in air and at feet to keep journalists away. Only death is Kurdish stallholder hit by ambulance.

WEDNESDAY JULY 14: Israeli aircraft fly over, reminding us they can bomb the place back to nothing. No negotiation but city buzzing with discussion of remarks of George Shultz, the incoming U.S. Secretary of State, which sound more "even-handed," as the Arabs say. Ahorcall, Iranian invasion of Iraq, people feel, has changed the whole constellation. Palestinian officials more than usually self-confident.

Replace socks at shop of two Armenians, who remind me that just because this year worse than last year does not mean that 1983 will not be even worse. But they will keep a stock of cotton socks. Bump into cross friends who says Israelis let 400 litres of fuel oil and 2,000 of petrol into city.

This might help diminish gunfights at petrol stations.

THURSDAY, JULY 15: Cannot sleep after midnight because of dogs harking. Cats have almost disappeared and those that there are are very thin. Rats, on other hand, are quite large and independent-looking. Breakfast with Walid Jnmblatt, who in the mountains heads the Jumblatti Druzes in the Chouf region and in the town the National Movement of left-wing and Muslim elements.

Financial Times suggests I shoold return.

FRIDAY, JULY 14: Have said my goodhyes and am preparing to leave the city. Not happy, not particularly sad, but tired after three weeks in which have dreamed rather than slept. Will cross at the Museum.

Israelis split over PLO

The ISRAELI Government appears to he split over the latest proposal for the evacuation of Palestinian guerrillas from west Beirut, our foreign staff write from Tel Aviv and London.

With Syria and other Arab countries still refusing to give the guerrillas sanctoary, Mr Yasser Arafat, the PLO chairman, has suggested that his force should pull back to eastern or northern Lebanon as an interim measure.

Israeli officials in Jerusalem virtually rejected the idea. "We want the PLO ont of Beirut and out of Lebanon, so this business of their going somewhere else does not hold water," a Foreign Ministry official said. "The principle is that they get out of Lebanon," he added.

But the idea has gained backing from two influential politicians, former Premier Yitzhak Rahin and Right-winger Yuval Ne'eman, whose Techiya Party is presently negotiating to join the ruling coalition.

In separate radio interviews, Mr Rabin and Mr Ne'eman both backed the idea of allowing the PLO to move into a temporary enclave near the northern Lebanese city of Tripoli until a permanent solution is found.

The U.S. is meanwhile trying to persuade Syria to reverse its refusal to accept the guerrillas, and has been seeking to use Sandi Arabia as an intermediary.

Reports from Beirut suggest that President Hafez al-Assad of Syria has demanded a written reqnest from Mr Arafat seeking refuge and full endorsement of the request from the 21 members of the Arab League.

Syria is also said to be asking for its own defence requiremeots to be taken into account as part of any Lebanon settlement and may be seeking substantial payments from the wealthier Arah states in return for its cooperation in reaching a solution.

Mr Mahmoud Labadi, the PLO spokesman, said yesterday he had no information abont reports that Syria had changed its mind about letting the Palestinians in. A Syrian official in Damascus emphasised: "Our decision not to let the Palestinians enter is final and irrevocable."

UK NEWS

Lords approves Lloyd's Bill for improving self-regulation

BY JOHN MOORE, CITY CORRESPONDENT

THE BILL for improving Lloyd's self-regulation within its insurance market was attacked yesterday in its final stages in the House of Lords.

Lord John Foot, a member of the Lords' five-man select committee which reviewed the Bill, condemned an unprecedented immunity clause which would grant a new Lloyd's ruling council protection from legal suits for damages in the future by any Lloyd's members even though the council may act negligently.

Lord Foot told the Lords in a Third Reading debate on the Bill that he had objected to the immunity provision while sitting on the committee but his had been a minority voice.

Four committee-members, led by Lord Nugent of Guildford, had favoured the immunity clause but Lord Foot had voted against it in the form proposed by Lloyd's.

He told the House that once the Bill became law, if the new council failed to exercise reasonable care and acted negligently such that members of Lloyd's suffered damage and ruin they would have no remedy in law. As the immunity stood it offended against some of the most fundamental principles of English law.

Lord Hunt said: "From the very beginning I have looked to the promoters of the Bill (Lloyd's) to point to some exceptional circumstances that would justify such a radical departure from English law. No such compelling argument has emerged."

As the argument developed, he said, new reasons for an immunity clause and the original reasons advanced in a report prepared by Sir Henry Fisher, forming the basis of legislation, disappeared.

The buttressing of arguments by Sir Henry Fisher, which he described as "pretty shaky ground on which to rest a case," was a reflection on the case of the promoters.

Lord Foot's intervention yesterday was a surprise. None the less, the legislation, the most sweeping series of reforms in Lloyd's 300-year history as an insurance market, was approved by the house. It will go forward.

Once the Bill becomes law—it must still return to the Commons which has to approve minor changes to the immunity clause—it will lead to the biggest upheaval in the market structure of Lloyd's.

The shareholding links which Lloyd's insurance-brokers hold in underwriting-management companies, the groups which run underwriting syndicates, will have to be sold. Buyers of insurance, the brokers, will not be allowed to own or control the sellers of insurance, the syndicates. Unacceptable conflicts of interest have been identified. In all, 114 agencies could come on to the market in a sale which could fetch £70m for the Lloyd's broking community.

In spite of a last-ditch stand by the brokers, led by Alexander Howden Group, which mounted a petition against the sale clause—known as the divestment clause, the Lords committee refused to accept their argument.

Lord Nugent said in the debate that the committee had heard large amounts of evidence from brokers. In his committee's report it was said they accepted "that in well-run organisations abuses arising from a conflict of interest may be rare" but the few cases produced in evidence did not convince the committee the problem could be ignored.

Baroness Dennington, another member of the Lords committee, told the house yesterday that the vote by the members of Lloyd's on the acceptance of the divestment clause was not a free vote. Members of Lloyd's had had "a gun held at their head" as Lloyd's had warned them that they had to support the clause or lose the Bill.

Lord Redcliffe-Maud, also on the committee, said he was aware the vote was "tainted." Even so the committee-members accepted the arguments for divestment although Baroness Dennington said there were "very worrying arguments against divestment."

Lord Redcliffe-Maud and other lords in the debate said that an immunity clause for Lloyd's was "creating a dangerous precedent and a very dangerous precedent too."

Lord Mischon, for the Opposition, said such a clause would not create a "precedent for other bodies who might seek to jump on the bandwagon" and although it was a "very grave political issue" this was a unique case.

All sides agreed, however, that without some measure of immunity there was a danger Lloyd's might not be able to regulate its market efficiently.

CHRONOLOGY OF LLOYD'S BILL. Parliament has spent more than 150 hours of debate on the Bill.

NOVEMBER 1980: Lloyd's members approve the promotion of legislation.

MARCH 1981: Second Reading debate in the Commons. Unease expressed by a group of Tory MPs about the immunity clause while Labour benches were concerned about the lack of any guarantee Lloyd's would act on divestment.

MAY 1981: Two underwriting members backed by Mr Ian Posgate, a leading Lloyd's underwriter and executive with Alexander Howden, the broker, and Mr Malcolm Pearson, an insurance broker, seek mandatory divestment and removal of the immunity clause in a parliamentary petition.

MAY 1981: A parliamentary committee chaired by Mr Michael Meacher MP rules that divestment should be incorporated in the Bill and that managers of underwriting syndicates should not be allowed to recruit members to those syndicates. It allows the immunity clause to proceed.

JULY 1981: Meacher committee allows Bill to proceed as Lloyd's accepts mandatory divestment but refuses to accept the ruling that underwriting managers should not be allowed to recruit members for syndicates.

FEBRUARY 1982: Bill completes Commons stages.

APRIL 1982: Second Reading in the Lords.

MAY 1982: Lords committee meets under the chairmanship of Lord Nugent. It has to consider six parliamentary petitions from brokers and other Lloyd's interests

JULY 1982: Lords committee allows Bill to proceed with minor changes.

Government aid to boost practical education

By Michael Dixon, Education Correspondent

A PROJECT costing £2m a year which will develop practical curricula in schools for pupils whose intelligences run in other than academic directions was announced yesterday by Sir Keith Joseph, Education Secretary.

It is the first official attempt to provide an alternative path through school for children interested in acquiring practical skills.

Sir Keith told the conference of the Council for Local Education Authorities in Sheffield that he hoped individual authorities would put in bids for some of the £2m by submitting proposals for the development of practical educational methods.

As a first step, seven or eight local authorities would be invited to run trial programmes for 14- and 15-year-olds starting in September next year.

"There is sometimes a tendency to plan the organisation of a school around the needs of the more successful pupils and the demands of examination courses," Sir Keith said.

"I believe that in all too many instances we have still not got the mixture right for those pupils who are usually described as lower attainers; broadly, the group for whom public examinations at 16-plus are not designed."

By this, Sir Keith meant the exams for the Ordinary levels of the General Certificate of Education and the generally less demanding exams for the Certificate of Secondary Education.

In theory GCE O-levels are intended to be taken only by the most academically able 20 per cent of young people eligible. The CSE is supposed to be restricted to the more academic 60 per cent of the notional "range of ability."

But Sir Keith emphasised that the proposed practical curricula must not be seen as being only for the least responsive 40 per cent of fourth and fifth formers. "Many pupils with low attainments in some subjects have high attainments in others."

He hoped schools taking part in the project would take a fresh look at their approach to promoting the skills of communication, literacy and numeracy. The kinds of innovation he wanted to see included:

- New types of co-operation between schools and colleges of further education.
- Expansion of work experience schemes, although this would be difficult in some districts.
- Practical involvement in the local community, preferably with collaboration from employers there.
- Greater investment by local authorities in the further training of teachers already employed, and the stimulation of fresh thinking about the training of school staff.

Sir Keith is understood to be particularly keen to see the experimental activities giving children more opportunities to gain experience of conditions in factories and offices.

Donaldson to be Master of the Rolls

By Raymond Hughes, Law Courts Correspondent

SIR JOHN DONALDSON, a Lord Justice of Appeal and former president of the National Industrial Relations Court, is to be Lord Denning's successor as Master of the Rolls.

Sir John, 61, will take up his appointment as the senior judge of the Court of Appeal on September 30.

The appointment was announced from Downing Street yesterday, ending weeks of speculation following 83-year-old Lord Denning's announcement on May 28 that he was to give up the post he had held since 1962.

It was announced simultaneously that Lord Justice Templeman, who had been regarded as a possible successor to Lord Denning, is to become a Law Lord, replacing Lord Russell of Killowen, who retired last month.

Sir John was educated at Charterhouse and Trinity College, Cambridge, and became the youngest High Court judge in 1966. Between 1971 and 1974 he was in the public eye when his forthright judgments at the NIRC frequently made him the centre of political controversy.

The NIRC was axed on the return of the Labour Government, and Sir John went back to the comparative obscurity of the Commercial Court until 1979, when the advent of another Conservative administration brought him an overdue elevation to the Court of Appeal.

He is regarded as a first class administrator, partly on account of the brisk and efficient way he ran the NIRC, and later for his less publicised work in streamlining the operations first of the Commercial Court and then, in conjunction with Lord Lane, the Lord Chief Justice of the Queen's Bench Divisional Court.

Sir John is married to Lady Mary Donaldson, 59, who was the first woman alderman and the first woman sheriff of the City of London. It is likely that she will be the City's first woman Lord Mayor in 1984. The couple have three children.

Man in the News, Back Page

Finance scheme for roads rejected

BY ANDREW TAYLOR

CIVIL ENGINEERING leaders will tell the Government next week that its proposals for attracting private finance to the road-building programme are unworkable.

The Federation of Civil Engineering Contractors says proposals in a Transport Department consultative paper would place an unacceptable burden of risk on contractors building roads with private finance.

The principle of raising private funds as an additional source of finance for road-building programmes is, however, supported by the federation. It would, though, reject any move to use private finance as an alternative to direct public-sector investment in roads.

The department's proposals would allow contractors to build individual roads or sections of roads with private finance raised from City institutions. Contractors would be paid "by some form of royalty related to the amount of traffic using the road."

Royalty payments, to be met from public funds, would be staged over several years—15 years have been suggested—and contractors would be financially liable for constructing and maintaining the road.

The federation's main objection is that contractors would not be given any guarantee of a minimum rate of return should traffic flows fail to meet projected levels.

It is also concerned that contractors might have to accept unlimited liability for maintaining and keeping roads in good repair. The federation says roads could fall into disrepair and traffic flows could be disrupted through no fault of contractors.

The federation says the burden of risk that would be placed on individual contractors would be such as to make the cost of raising private finance unrealistically expensive.

It also stresses that contractors would have to have complete control of a project, from design-stage onwards, if they were to accept total financial responsibility for a project.

The stumbling-block in the way of privately-financed roads being built is the Treasury's determination that contractors must accept an element of risk if private finance schemes are to be allowed as additional expenditure outside established public-spending cash-limits.

The Treasury's view appears to be that if schemes require state guarantees then this is not private risk-capital and should be classed as public expenditure.

Mr David Howell, Transport Secretary, has said he would like to see one or two experimental, privately-financed road schemes start by the end of next year.

Contractors have made it clear, however, that they regard the present proposals as unsatisfactory and would not participate in any scheme unless it raised additional money for the road programme. The issue appears some way from being resolved.

Glaxo shares tumble after drug disclosure

BY RICHARD JOHNS

GLAXO HOLDINGS' shares, one of the most glamorous issues on the stock market this year, were yesterday knocked from the dizzy peak of about 800p each reached this week by two letters published in the Lancet medical journal from Italian doctors.

Physicians working in hospitals in Milan and Grosseto described side-effects suffered by their patients after treatment with the ulcer-drug Zantac. Its commercial promise has been in large measure responsible for the UK pharmaceutical company's share climbing from a low of 242p in 1980 to rather more than 800p.

Glaxo Holdings closed at 753p in trading yesterday, having tumbled at one stage to 745p, down 43p on Thursday's closing level. The doctors' letters wiped £74m off the company's stock market value.

Zantac, or ranitidine as it is known to the medical profession, was introduced to the UK market last autumn and has also been successfully marketed in Italy, where sales are believed to be running at the equivalent of $100m and even exceeding those in the UK.

Anticipation of future earnings from the drug, as well as the continuing success of its other established leading products and greatly improved results in 1981 have helped nearly double the Glaxo share price from 415p at the beginning of the year.

Investment analysts seemed unconcerned by the palpitations suffered by brokers on account of two short letters on page 160 of the medical weekly The Lancet. "I don't believe sales will be affected," said one pharmaceuticals specialist.

Zantac has already loosened the tight hold on the market previously held by Smith Kline and French with its drug for stomach ulcers, Tagamet or cimeticide, which was introduced in 1976. Glaxo's claim that the side-effects from its product have been negligible in comparison with those associated with its rival have not been seriously challenged yet.

A Glaxo official said the company was puzzled by the alleged side-effects. He said reports of two elderly and sick female patients in Grosseto suffering *bradycardia*, or a slower heart rate, and a 69-year-old man in Milan experiencing painful *gynaecomastia*, a softening of the breast area of males, were totally at variance with the findings of clinical trials.

Glaxo wanted to investigate the reports very closely with the Italian doctors, he added.

Zantac is to be launched in major markets of Western Europe by the end of this year.

Lloyds extends 50p cheque fee

BY WILLIAM HALL, BANKING CORRESPONDENT

LLOYDS BANK is following in the footsteps of Barclays Bank and Midland Bank and curbing the facilities it offers customers of other banks to cash cheques free of charge.

From next Monday it will charge customers of all banks 50p, except National Westminster Bank and Coutts and Co., for cashing cheques at its 2,300 branches.

Until last summer, customers of all the clearing banks could cash cheques free of charge at any bank branch in the UK. However, Barclays broke from the agreement and started charging 50p per cheque cashed for non-customers.

At the time Lloyds, National Westminster and other smaller British banks felt the action ran contrary to the banks' plans to attract new customers—only half of the population has bank accounts. Therefore, while charging 50p to Barclays and Midland customers, the other banks continued to cash cheques for each others customers, free of charge.

Lloyds has found that it is cashing cheques for more banks' customers, free of charge. It also found that a number of Barclays and Midland customers were still using its branches and were prepared to pay 50p for cheque cashing facilities.

Lloyds says that the number of cheques it cashes for National Westminster customers roughly equates to the number of its customers cashing cheques at National Westminster. However, because of the imbalance with other banks, it is going ahead with a 50p charge for other customers.

National Westminster Bank—which has the most branches of any UK bank—said last night that it was disappointed by the Lloyds decision and would be reviewing its own position. The action by Lloyds will make it more difficult for Britain's small banks to compete with the major clearing banks since their branch networks are smaller and they cannot offer as many cheque cashing points.

Low and Bonar to close plant

By James McDonald

LOW AND BONAR has decided to close down its polypropylene weaving plant at Forfar in October. Losses of more than £200,000 in the first half of the year, and over-production of polypropylene fabrics in the UK and the EEC, have brought the packaging, engineering, textiles and travel group to the decision.

A total of 260 group employees will lose their jobs—181 at Forfar and 79 in the group's Dundee works.

The Forfar plant, which weaves backing for tufted carpets, has been hit by a sharp fall in demand, according to Mr Brian Gilbert, chief executive of the group.

"With the current over-production throughout the EEC, no improvement in the foreseeable future can be anticipated," he said yesterday.

In spite of the 79 redundancies planned for Dundee, production of polypropylene yarn will continue there, along with the supply of a wide range of other industrial textiles.

Last week, Low and Bonar announced the closure in September of a loss-making paper production department at its Bury, Lancashire, packaging subsidiary.

● The British Steel Corporation (BSC) yesterday announced a further 174 redundancies at its Welsh tinplate plants, to improve operating efficiency. It warned workers that other reductions would follow once the opportunities for further cuts had been identified.

Employees at all three plants—Trostre, near Llanelli, Velindre, near Swansea, and Ebbw Vale—were also told that BSC's thin order book for tinplate, and growing warehouse stocks, made a "production pause" of one week in September virtually certain.

The number of employees in BSC Tinplate has already fallen drastically. Under the survival plan produced in December 1980 by Mr Ian MacGregor, the BSC chairman, the number of tinplate workers was cut from 8,650 to the present 5,476. Worst hit was Velindre, where the number employed has come down from 2,243 to 666, sufficient for only six shifts a week.

Powered two-wheeler sales drop 23 per cent

BY JOHN GRIFFITHS

SALES OF powered two-wheelers in the UK were 23 per cent down in the first half of this year, in spite of the public transport disruptions, which were expected to help sales.

Total sales in the first six months were 103,166, compared with 133,391 in the same period last year, said the Motor Cycle Association.

Mr Eric Sulley, the association's president, said at the start of this year that the total market could reach 300,000, against 275,0[illegible] last year, a forecast which is proving wildly optimistic.

Moped sales have suffered least, down only 1 per cent in the first half to 38,426. They were 7 per cent down in June at 8,692, but a pick-up at the end of the month, when the second rail strike was looming, might suggest more sales to commuters. This view is supported by the fact that more machines than usual were bought for cash.

Scooter sales suffered the heaviest fall, down 37 per cent in the first half to 1,436, and 22 per cent lower in June at 243. Motorcycle sales fared little better, down 32 per cent at 63,304, and lower by the same percentage, at 12,163 in June.

Investor protection review backed

BY CHARLES BATCHELOR

SUPPORT for the main conclusions of Prof Jim Gower's controversial review of investor protection came yesterday from both the legal and accounting professions.

The Consultative Committee of Accountancy Bodies supported the setting up of a more comprehensive network of self-regulatory agencies for the securities industry suggested by what it called Prof Gower's "valuable analysis."

The Law Society's standing committee on company law said the Gower Review made out a persuasive case for a comprehensive review of the law of investor protection in spite of the obvious attraction of a policy of minimal interference.

The accountants identified over-the-counter markets, dealings off the Stock Exchange and investment management and advice as the source of the worst problems of investor protection in recent years.

They supported the setting-up of new self-regulatory agencies to cover these three areas but felt that public issues and take-overs, the Stock Exchange, and unit trusts and other collective investment undertakings were already adequately regulated.

The practical difficulties should not be underestimated but reform need not involve a traumatic upheaval of the present structure of the securities industry or entail the extension of government legislation at the expense of self-regulation, they said.

The Law Society committee concluded that gaps in the law and problems experienced in its enforcement had persuaded it that "we have reached the stage where it would be preferable to adopt a comprehensive rather than a piecemeal approach to the issues raised by Prof Gower's report."

Judge rules on drug payments

THE DEPARTMENT of Health and Social Security is entitled to prune the reimbursements it makes to retail chemists for prescribed drugs and medical appliances they obtain under cut-price schemes, a High Court judge ruled yesterday.

Mr Justice Foster decided that in making the payments claimed by chemists for items supplied on prescription, the department is entitled to take into account discounts or rebates under a profit-sharing scheme offered to chemists by their suppliers.

His ruling was made in proceedings initiated by the co-operative organisation, Unichem, which had claimed that the DHSS acted unlawfully in taking into account the profit-sharing scheme it offered to retail chemist members.

Cunard launches QE 2 fares deal

BY ARTHUR SANDLES

CUNARD has launched a promotional campaign to woo passengers back to its flagship the QE2.

The ship is being renovated in Southampton ready for a return to civilian life after her service in the Falklands.

The QE2 will be back on the North Atlantic run next month.

Cunard will be offering special trans-Atlantic fares as a re-introductory offer. Anyone buying a one-way ticket (from £565) will be given a British Airways economy ticket for the return journey; anyone buying a single room voyage and a BA economy ticket will be offered spouse tickets free.

At the same time the shipping line, a Trafalgar House subsidiary, is giving more details of the QE 2's Circle Pacific cruise next year. This will be a 61-day voyage to and from Los Angeles starting on January 31.

The ship will call at San Francisco, Tahiti, Moorea, Cook Island, Auckland, Wellington, Port Moresby, Bali, Singapore, Pattaya, Hong Kong, Tianjin, Kobe, Yokohama, Honolulu and Hawaii. Fares start at £5,585 per person.

Passengers wishing to take only part of the cruise will be offered a variety of options—or it can be extended.

On the trans-Atlantic offers Mr Bernard Crisp, Cunard's UK director, said that "too often the business traveller flies both ways on a Stateside visit and never considers that by making the journey by sea one way there is the opportunity to unwind and arrive rested and relaxed."

London mini cabs could face licensing controls

BY LISA WOOD

LONDON'S MINICABS may soon need licences before they can operate if the London Boroughs Association decides to seek the necessary powers.

The association says a passenger in a private hire car in London runs the risk of riding in an "unsafe, uninsured, dirty or otherwise inadequate vehicle," unlike black cabs which are licensed by the Metropolitan Police. Mini cabs and other private hire cars, in contrast, are regulated by no authority or body.

Outside London, the association says, district councils have powers to licence private hire cars, their drivers and their operators. If similar powers were sought for the capital, they could be put forward through the Greater London Council's General Powers Bill.

But the association first wants to clarify several points with the Home Office. Among these is the question of who would administer the licensing system.

Mr David Cobbold, chairman of the association's general purposes committee, said yesterday: "If one single transport authority were to be established in London it would seem logical that it should undertake responsibility for operating the scheme."

Plan to give every primary school its microcomputer

By Jason Crisp

THE PRIME MINISTER yesterday announced a scheme to ensure that every primary school in the UK has a microcomputer by the end of 1984. The scheme is similar to one for secondary schools, which has been widely taken up.

The Department of Industry will provide Britain's 27,000 maintained and independent primary schools with a 50 per cent grant to buy a microcomputer. The support is available for one of three British-made microcomputers only.

Significantly, the latest microcomputer from Sinclair Research—the Spectrum costing £125—has been approved for support in the primary schools scheme. A considerable row blew up when the less powerful Sinclair ZX81 computer—costing £70—was not included in the scheme for secondary schools. Even though this model was not eligible for a grant, Sinclair computers are widely used in schools.

The two other computers eligible for grants to primary schools are made by Research Machines, of Oxford, and Acorn, based in Cambridge. Acorn makes the BBC computers, and both companies are secondary school approved suppliers.

Of Britain's 6,000 secondary schools, 85 per cent have taken up the DoI grant for microcomputers to date. The department believes that every secondary school in the country has at least one computer.

The Department of Education and Science is also spending £10m over three years training teachers how to use computers and developing [illegible] software.

Receivers set Friday deadline in battle to save soccer club

THE RECEIVERS appointed to Wolverhampton Wanderers Football Club said yesterday that "we will have to bring the bull-dozers in if we don't get a firm offer for the club by next Friday."

Mr Alan Adam, the principal assistant to Mr Alastair Jones and Mr Roger Dickens, partners in the Birmingham office of Peat Marwick Mitchell, said several developers had been looking round the club whose 11 acre site, he believed, would realise some £4m if consent were granted for a shopping development.

It is understood, however, that one initial application to build a supermarket on the club's ground, Molineux, has been turned down.

The receivers have been meeting the chief executive of Wolverhampton council and have addressed the leader of the council in the hope that the local authority will buy the stadium and its facilities in a £2m deal. The club itself would be sold for a further £500,000 to a group of local businessmen. Peat Marwick's two partners estimate that the council would receive an annual rental of some £170,000 from the club.

Four local consortiums have expressed interest in buying the club but no firm approaches are expected until the position with the council is known. The council is expected to meet to discuss the proposals early next week.

Ray Maughan looks at the problems facing Wolves

Because league football is in its short—and [illegible]—season, the clubs are not taking in any income. Wolves' wages bill for each four-week period amounts to £32,000 [illegible] payable to the 25 professionals and eight apprentices on its books. The receivers emphasised that the club, already insolvent, could not afford this level of outgoings for longer than next week unless a deal was imminent.

As at May 31, Wolves had net current assets of £[illegible]. This was swamped by ordinary creditors of £[illegible], accrued receipts and advances of £[illegible] and bank overdraft of £[illegible]. That added up to net current liabilities of almost £1.2m which have since been swollen by an estimated £[illegible].

On top of all that, long-term bank loans advanced to finance a new stand amount to £1.23m. For the first time, Wolves suffered a trading loss last year. Totalling £650,000, the deficit included a £[illegible] loss on transfer deals. Alan Birch cost some £[illegible] to bring from Chesterfield to Molineux, for example, but the player was later sold for £[illegible]. The club still owes Birmingham City FC about £[illegible] on the transfer of the [illegible] Joe Gallagher and Chesterfield £75,000 for the Birch deal.

Another major element of the trading deficit was the interest payment of £278,000 on the loan for the new stand.

While professional football is in the close season and its supporters are recovering from the glut of World Cup action, controversy is never far away and much of it touches Molineux.

Lincoln City is reported to have requested the Football League that it take Wolves' position in the Second Division next season — Lincoln just missed promotion from the Third—on the basis that Wolves is effectively a new club and should start the next campaign in the bottom flight.

A new company, Wolverhampton Wanderers 1982, has been formed, although no assets have been transferred to it as yet, but the receivers have made the point that the normal trading of a business does not cease in receivership and Lincoln's request is "inappropriate."

Two Wolves' players, Gallagher and the striker, Mel Eves, were approached by one of the promoters of the controversial South African tour—managed incidentally by the club's former manager, John Barnwell—but the approach has been rejected by the receivers.

Players are never treated as assets in the accounts of a football club because their potential transfer value is so variable, but their worth would be minimal if, having toured South Africa, the Football Association was to cancel their registration thus making it impossible to conduct transfer negotiations.

A list of Wolves' players has been circulated but there has been just one response. Andy Gray, the star striker bought from Aston Villa for £1.4m, has had an anonymous offer of just £200.

The receivers know a joke when they hear one but, with less than seven days before the demolition crews arrive to bring 99 years of league football in Wolverhampton to an end, their sense of humour is wearing rather thin.

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If you are about to take out an investment plan, we suggest you test its features against this check-list–and compare the outcome with the features of the Hambro Managed Fund.

Does the Fund have a consistent long-term performance record? Yes ☐ No ☐

Since its launch in 1971, the Hambro Managed Fund has had an average growth rate of 10% p.a. compound, after tax and annual management charges.

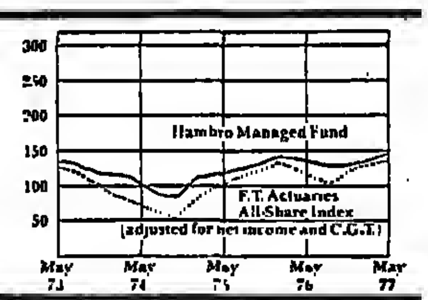
In a recent "Planned Savings" survey of unit-linked funds, the Hambro Managed Fund was the top performing fund over both the past 5 year and 10 year periods, reflecting outstanding consistency.

Is the Fund broadly based? Yes ☐ No ☐

Specialist funds often lead short-term league tables, but then fall sharply as investment fashions change. The investments of the Hambro Managed Fund are exceptionally widely spread–in shares of over 900 companies and in hundreds of office, shop and factory properties, with flexibility to invest in gilts or deposits for greater stability in uncertain times.

Did the Fund cope satisfactorily with the market upheaval of 1974/75? Yes ☐ No ☐

A fund should be judged in difficult conditions as well as good. The graph shows how well the Hambro Managed Fund coped with the Stock Market crisis in 1974/75, and also with the difficult period of 1976/77.



Does the Fund allow for capital gains tax in its unit price? Yes ☐ No ☐

Some life companies still quote their unit prices before allowing for capital gains tax and then make the deduction when you cash in your plan. The Hambro Managed Fund price allows for CGT *so no further adjustment is necessary.*

Do the company's other funds have good records as well? Yes ☐ No ☐

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Does the Fund have the benefit of a regular cash inflow? Yes ☐ No ☐

Investment managers agree that a regular cash inflow helps them considerably while irregular cash flows hamper the successful management of the fund. The Hambro Managed Fund (together with the Hambro Pension Managed Fund has a cash inflow of £75 million a year from regular premium plans.

Is it a large Fund? Yes ☐ No ☐

Some of the many small funds may show up well in short-term league tables, only to fade as they grow larger. The Hambro Managed Fund is the largest of its kind in the country with assets of £400 million.

Does the Fund have continuity of investment management? Yes ☐ No ☐

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UK NEWS

LABOUR

Councils warned on overspending

BY ROBIN PAULEY

LOCAL AUTHORITIES were warned in strong and clear terms yesterday that their persistent overspending of Government targets may lead to even greater central control of their finances.

Mr Leon Brittan, Treasury Chief Secretary, told the Society of Local Authority Chief Executives in York that the failure to overcome overspending would ultimately to cause central government to intervene ever more obtrusively and seek even greater powers over local authority finances.

"The political strength of local government may for a period check the growth of such an assumption of power. But any such check will only be short-lived if overspending continues, whichever government is in power, because its damaging effect on the national economy and on industry will soon force any government to take further steps in the direction of central control," Mr Brittan said.

Mr Brittan's speech is significant for a number of reasons. First, it marks a decision by the Treasury to try to take over the initiative of berating councils about their spending levels from Environmental Department ministers.

Second, it reflects Mr Brittan's known anger at both the failure of all Government attempts to bring council spending into line and the refusal of his Cabinet colleagues to penalise the overspenders this year. Mr Brittan tried and failed to persuade the Cabinet to impose penalties of £500m, £200m, £100m or, finally, £80m through grant losses.

Third, it comes at a time when the Treasury is digging in against requests from all spending departments for more money next year although Mr Heseltine's demand for an extra £1bn for councils seems certain to succeed, as his demand for £1.3bn last year succeeded, on the grounds of "realism."

Mr Brittan said yesterday that the £1.3bn had been agreed to last year in the hope that "by increasing the total and asking local authorities to make real reductions in spending of 2 per cent a year in 1983-84 and 1984-85 we were not seeking the impossible.

"Unfortunately the evidence is that such flexibility on our part has had little effect."

In Britain local authority current spending in 1980-81 overshot public expenditure plans by 5.5 per cent (£1.047bn cash). In 1981-82 the excess over plans was 7.9 per cent (£1.538bn) and in 1982-83 councils were budgeting to overshoot the plans by 7 per cent, or £1.499bn (after allowing for the extra £1.3bn).

Mr Brittan said the Government's response so far to the "flouting of its expenditure plans" had been extremely measured.

Looking at the more fundamental questions affecting local government finance, it was necessary to ask whether the conventional wisdom was still right in assuming that local autonomy over priorities and administration of services necessarily implied complete freedom to determine levels of expenditure.

Natural gas plan for Ulster in final stages

By John Hunt,
Parliamentary Correspondent

AGREEMENT between the British and Irish Governments is expected shortly on the building of a pipeline to supply natural gas to Northern Ireland from the Republic.

An understanding has been drawn up between the two Governments on the main terms and conditions for the project.

Announcing this in the Commons yesterday, Mr Adam Butler, Minister for Commerce and Industry in Northern Ireland, said his department was looking to lessen the burden on the public sector borrowing requirement.

He said discussions had taken place with the republic, following Dublin's offer to make natural gas available from the Kinsale offshore field in the south. The negotiations had been protracted by the recent general election in the republic.

"Hopefully, we will bring the matter to a conclusion in the near future," he said.

As the project would involve heavy expenditure and a long payback period, the Government was investigating the extent to which private money might be involved.

The province uses oil-based gas and there have been complaints that this is more expensive than the natural gas available in Britain.

● The impact of an attack on British policy by a senior member of the Dublin government was yesterday being assessed in political circles on both sides of the Irish border.

The latest criticism—seen in Dublin as an illustration of the low level of Anglo-Irish relations — was launched by Mr Gerry Collins, the Republic's Foreign Minister, in a debate for the summer adjournment of the Dail (Parliament).

Mr Collins said the plan by Mr James Prior, Ulster Secretary, for an elected assembly in the province was "misguided and retrograde."

Shell Chemical plant reprieved

BY SUE CAMERON

SHELL CHEMICALS' Carrington petrochemicals complex in Cheshire has been reprieved from the immediate threat of partial or total closure as a result of the deal announced recently by Imperial Chemical Industries and BP Chemicals.

Workers at Carrington were told yesterday that between 500 and 700 of the 2,000 jobs at the site ware to go as part of a plan to stem losses. However, no chemical plants at the complex are to be closed, at least for the time being.

The ICI-BP deal will have an impact on Carrington's supply of ethylene, a base chemical used in making a wide range of products from solvents to plastics.

A pipeline carries ethylene from ICI's petrochemicals complex at Wilton on Teesside to Shell's sites on the other side of the country. But as part of its deal with BP Chemicals, ICI is to close a large ethylene plant at Wilton.

Shell Chemicals plans to open a new petrochemicals plant at Stanlow in Cheshire next week. The plant will use ethylene as a raw material, and Shell fears it will not be able to obtain enough through the pipeline from Wilton.

Shell has therefore decided to keep open its own ethylene plant at Carrington for the moment. But in the longer term, it is thought the company is still determined to make large-scale closures at Carrington.

It is believed that Shell will stick to its original plans to shut roughly half the Carrington site, with the loss of some 270,000 tonnes of chemical production and the axing of a total of 1,000 jobs. But it seems, however, that Shell is now unlikely to close Carrington completely.

Shell Chemicals UK lost £45m last year, and expects to make similar losses this year. The most of last year's losses were attributable to the Carrington complex.

The main reasons for the losses are the massive overcapacity in petrochemicals, reduced demand and weak prices. All West European producers are making losses.

Because of overcapacity, there is no shortage of ethylene, and it is not thought Shell will ultimately have any difficulty in obtaining adequate supplies for its plant at Stanlow.

But it will have to work out exactly how it is going to obtain its ethylene and from where. Supplies from Wilton are provided on a "swap-out" basis. Shell takes ethylene from Wilton and ICI takes ethylene from Shell on the Continent.

The deal between BP Chemicals and ICI involves an exchange of the former's PVC plastics business for the latter's UK low density polyethylene plastics business after substantial plant closures have been made, including the ethylene unit at Wilton.

It also involves ICI taking an 80 per cent share in another large, modern ethylene plant at Wilton, in which it had previously had an equal share with BP.

Support for Japan exports watch

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE Government yesterday responded favourably to ideas from the Confederation of British Industry for an early warning system designed to detect the thrust of Japanese exports at the British market.

The CBI, led by Sir Terence Beckett, its director-general, held its first meeting with Lord Cockfield, who was appointed Trade Secretary in April.

The CBI thus had an opportunity to continue its pressure for a strong Government line on Japanese trade policy, intended to hold down imports and to increase co-operation and inward investment, so that the growing trade imbalance with Japan might be redressed.

The ideas for an early warning system are based on a system of intelligence-gathering which would anticipate Japanese export trends. They reflect the CBI's continuing worry about what it calls Japan's laser-beam approach to exports — the concentration of sales in a few product lines.

The Government believes the system to be a sensible notion, better than an extension of the statistical monitoring of imports which would only show trends retrospectively.

The early-warning system would work primarily through a pool of information from those involved with Japanese trade—embassies, trade associations and companies. But no decision has been taken on the establishment of a formal mechanism to run the system.

The CBI sees the system as part of a wider tendency towards a common EEC policy on imports from Japan, although it concedes that British restraints on Japanese exports should not be removed until the EEC can provide an equally tight system.

About 25 per cent of Japanese sales in Britain are already covered by restraint agreements — notably on vehicles, television sets, music centres and machine tools. But, on the basis of Japanese statistics, the UK trade deficit with Japan last year was $2.07bn (£1.206bn)—13 per cent higher than in 1980.

The CBI also emphasised its view to Lord Cockfield that Nissan, the Japanese motor group, should not be permitted to establish a plant in the UK without strict conditions to ensure purchase of local components.

The Department of Trade view is slightly more relaxed. It is keen to encourage Japanese investment in the UK and would sooner the plant were built in the UK than elsewhere in Europe.

CONTRACTS

Dexion wins £9.5m export order

DEXION, Hemel Hempstead, has won an export order for £9.5m. This order, believed to be the biggest ever for a storage system, is for fitting out 21 warehouses located across seven sites in a Middle East country.

✦

WARDPOWER, electrical generation division of Thos. W. Ward (Industrial Supplies), has won a £2m "turnkey" contract to supply electricity to a diamond mining project in Guinea, West Africa. The contract follows three years of negotiations with Aredor Services Pty. Ward will act as main contractor for the generator project, which will supply up to 2,000 kw for a town housing the personnel involved in establishing the diamond mine in a remote jungle site 400 miles from the nearest port. Wardpower is to supply four 800 kva diesel-engined generating sets, which will be fitted with 875 kva alternators (because of peculiar on-site electrical loadings), and will design and equip the power house which will supply 80 bungalows, 12 other buildings, water treatment plant, process plant, hospital, workshops and various other service buildings.

✦

The defence systems division of STANDARD TELEPHONES AND CABLES has received a Ministry of Defence order worth over £1m to provide transmission and control equipment for a system which locates aircraft in distress. The system, which covers UK air space, is based on permanently manned control centres at Prestwick and West Drayton, and up to 26 unmanned outstations. Installation commences in 1984.

★

Birmingham-based POWER STEELS has won the largest order in its 107 years history to supply material to the Middle East. A member of Allied Steel and Wire, it is supplying Quiklink balesties to the Cotton Marketing Organisation based in Aleppo, Syria. Worth nearly £750,000, the order is for Power Steels' new twisted Quiklink. The Syrians, for whom cotton production is their top foreign currency earner among agricultural products, will use Quiklink in their entire cotton baling operations, which last year amounted to 550,000 bales.

✦

LONGBARR, Newcastle upon Tyne, has won a contract worth £551,000 from the Scottish Development Agency to build a total of 2,760 sq metres of advance factory units at the Inveresk Industrial Estate, Musselburgh, Lothian. Work will start later this month on 12 80 sq metre workshop units and 10 180 sq metre warehouse units.

✦

LAMPBELL NORRIS & CO. has been awarded a £452,000 contract for pipe fabrications on the dust and ash plant at Drax completion coal fired power station, Selby. All the tube is carbon steel in sizes from 28 in to 2 in and a total length of 14,000 metres is involved.

✦

TRW FERRANTI SUBSEA is to supply water injection control systems for the North Sea Ninian oil field, under a £400,000 contract agreed with Chevron Petroleum (UK). Three direct hydraulic control systems and ancillary items are to be provided. The equipment has been pre-ordered by Chevron in anticipation of the results of current studies. Two of the systems are designed to operate from platforms in the Ninian Field, and the third will be a "workover" system which is deployed initially over the well bore to allow the installation of the subsea equipment from a drilling vessel.

✦

The Greater London Council has awarded a contract valued at £289,000 to WALTER LAWRENCE (CITY) to undertake security and other improvements to Glenfinlas House on the Brandon Estate at Southwark. In addition to the security work, Walter Lawrence will also carry out major alternations to the existing refuse disposal system as well as external landscaping work to two blocks of flats. The company has also been awarded a £298,000 contract from the GLC to undertake security and building regulations work to Cressmount House on the Wyndham Estate, Southwark. Cressmount House is a 22-storey block of flats. The contract will include work on the existing refuse chamber and chutes, refurbishment of the lift cars and various repair work. Both jobs will take about nine months.

✦

GEC-XPELAIR has won a £370,000 export order—the company's largest overseas order to date—for the supply of over 22,900 extractor fans for the first stage of the Saudi Arabian National Guard housing project. The order, awarded to Xpelair by Dumez, the French contractor for the project, involves the supply of built-in wall extractor fans and duct fans for the kitchen, bathrooms, and toilets of some 4,588 houses.

✦

The water treatment division of the Dewplan Group, DEWPLAN (WT), has been awarded a contract for supplying a demineralisation plant at British Sugar's Bardney factory. Together with a previous award, this brings the current value of work being carried out for British Sugar to over £250,000. The larger of the two installations at Bardney is to provide boiler feed water for a new 900 psi (62 bar) boiler. It will also provide water for use in the manufacture of liquid sugars and syrups. The single stream plant is rated at 13.5 cu metres/hour.

✦

SGB building equipment to the value of more than £177,000 has been ordered by Ssangyong, Korean main contractor, for use on the £120m Raffles City Development, a high rise commercial project due to be completed in a period of only 27 months on a site off North Bridge Road in Singapore.

★

AUTOSENSE EQUIPMENT, Bicester, has won a contract worth over £100,000 to provide a computer-control and data acquisition system for engine test cells for manufacture of air cooled diesel engines. R. A. Lister & Co., Dursley.

★

KHANSAHEB CIVIL ENGINEERING, associate company of the Douglas Group based in the United Arab Emirates, has signed a contract for the construction of a mariculture centre at Umm Al Quwain. This is a UAE federal project for the Ministry of Agriculture and is worth 22.4m dirhams [illegible]. The contract is for the construction of a marine culture research centre with concrete lagoons, sea water intake and outfall structures, laboratories and offices. Work is expected to get started on site in early September.

✦

AN ORDER worth about £1.25m for 100 trucks to replace the entire Watney's London fleet used for deliveries to licensed premises has been won by KARRIER MOTORS. The vehicles are mark 2 Dodge Commando 16-tonne gross weight two-axle rigid trucks with Allison automatic transmission. The company says it is the largest single order for automatic transmission Commandos to have been placed. Another factory-built option specified by Watney's is the [illegible] cab which [illegible] easier for the crew to [illegible]. Specially designed [illegible] bodywork is to be fitted by Bowkers of Congleton.

✦

A £3.7m [illegible] worth [illegible] to CUBITTS, part of Tarmac, including £700,000 for a [illegible] centre and offices at [illegible] for [illegible], [illegible] of Hawthorne College, extensions and alterations to St Helens office [illegible] and improvements and repairs to Logan Towers, Liverpool.

Tarmac Regional Construction has work in the West Midlands for [illegible] at Newcastle-under-Lyme and a pumping station at [illegible] near Market Drayton.

✦

ANOTHER £1m contract from London and Leeds Investments has gone to RICHARDSON AND BOTTOMS for [illegible] units in one of the Capitol Industrial Park at [illegible].

Suspension of tax union left-wingers withdrawn

By Philip Bassett,
Labour Correspondent

LEADERS of the Inland Revenue Staff Federation, the tax staffs' union, have reversed the decision to suspend from membership the organisers of the union's new Broad Left group.

The moderate-led executive of the 60,000-strong union originally decided by 20 votes to six to suspend the five members of the group's steering committee and its Cardiff regional organiser unless they agreed either to renounce or disband the group.

The executive decided that Broad Left documents were in breach of the union's rules on the circulation of unofficial literature, and that the existence of the group contravened a rule which provides that members can be suspended if their actions are judged by the executive to be prejudicial to the union.

However, there was some unease in the union about how quickly it had moved against the Broad Left and, after taking legal advice, the executive decided to draw back from the suspensions.

The six members had appealed against their suspensions, stressing that the Broad Left—announced at the union's annual conference in May—had not yet technically been formed.

A recent special meeting of the executive tightened up its interpretation of the rule on what could be considered prejudicial to the union.

The executive decided that formal organisations within the IRSF, canvassing or circulating slates for union elections and the projected Broad Left organisation itself were against the union's rules. The six-strong left-wing minority opposed these interpretations.

The executive decided by 17 votes to eight to withdraw the suspensions, and draw the attention of the six members in question to its decisions on the interpretation of the rule.

While this may seem like a climbdown by the union's right—and to some extent it is—its effect will be to delineate strictly how far the left can move.

The outcome is far from a victory for the Broad Left. Early indications are that the six may refuse to comply with the conditions laid down on their suspensions being lifted. The group's response is unlikely to become clear until after a meeting of the steering committee on Monday in Sheffield.

Mr Clive Boote, the union's president, has written a personal letter to all members, stressing that the union cannot carry on in this politically divided way.

Fowler warns of threat to NHS emergency services during strike

BY JOHN HUNT AND JOHN LLOYD

MR NORMAN FOWLER, Social Services Secretary, warned in the Commons yesterday that emergency services could not be guaranteed during the three-day health service strike due to begin on Monday.

He appealed to National Health Service workers not to take part in the strike and repeated his claim that the £400m provided to meet the average 6.5 per cent pay increase was the final offer. He said the 12 per cent claim, when taken with better holidays, and working hours, made a total of 20 per cent which was "quite unjustified."

There were bitter clashes with Labour MPs as Mr Fowler made his statement. Mrs Gwyneth Dunwoody, Labour's shadow Health Minister, accused him of trying to cut NHS resources and "clobber" the unions.

She claimed Mr Fowler was trying to blackmail the health unions and create a split between them and the Royal College of Nursing.

The pay offer was a "very poor deal," she said, which the unions would continue to refuse.

Angrily Mr Fowler retorted: "I totally reject everything you have said. It is totally absurd from beginning to end."

It was clear from the exchanges that Mr Fowler and Conservative backbenchers believed the Government's tough attitude towards the health unions, as with the rail strike, would get strong backing from the public.

Repeatedly he challenged Mrs Dunwoody to say categorically whether Labour supported the strike.

He reminded her that while this was the Government's second offer, the unions had "not moved one jot."

Mrs Dunwoody, however, received unanimous support from her own backbenchers. Mr Willie Hamilton (Lab Fife Central) said he would be "in the fight" during the coming weeks in support of the health service unions. Mr Laurie Pavitt (Lab Brent South) declared he would be proud to be on the picket lines.

Mr Fowler said: "You should not be proud. You should be ashamed."

He made it clear that the three-day stoppage would be much more serious than the previous one-day strikes. Emergency services could not be guaranteed in all areas. Out-patient appointments and non-emergency admissions would be cancelled and waiting lists for operations would grow longer. He said the NHS would be damaged and patients put at risk.

Mr Kenneth Clarke, the Health Minister, underscored the point in a speech yesterday at Leeds General Hospital, which he was visiting to see for himself the effects of industrial action.

"More and more serious incidents affecting patients are bound to occur if this industrial action continues. Many health service workers are being responsible and are covering all urgent treatment, but a few are not. People's lives are at risk.

"Let's get back to negotiations now before there are further incidents," he said.

● Unions and health authorities have protested over Mr Fowler's announcement on Thursday night that NHS jobs must be cut to fund the increased pay offer.

Mr Albert Spanswick, chairman of the TUC health services committee and general secretary of the Confederation of Health Service Employees, said yesterday that his members would fight the proposal "tooth and nail.

"It is nonsense to say that these cuts are a result of the revised pay offers. They are a part of the Government's long-term strategy and confirm our view that the Government is intent on chopping up and destroying the NHS in the interests of private practice," he said.

"If Mr Fowler believes it will undermine support for the pay campaign he is very much mistaken."

Trent Regional Health Authority said all its district health authorities were dismayed by Mr Fowler's statement on job cuts.

It said the effect would be that major hospital development in Chesterfield, Rotherham, Leicester, Nottingham and Worksop would not go ahead as planned, and smaller developments in all parts of the region would be deferred.

● A spokesman for the National Union of Public Employees said yesterday that 1,000 power workers at the Isle of Grain power station, Medway, would be taking sympathy strike action with the health workers on Monday.

Bank's Saturday date set

BY DAVID GOODHART, LABOUR STAFF

BARCLAYS Bank says that 11,731 members of staff have now volunteered to work on Saturday mornings. The bank estimates that 350 branches, out of the original schedule of 400, will be able to open on Saturdays on September 11.

The closing date for Saturday volunteers has passed and, although the full quota of branches will not open, the bank is pleased that more than one in five of its UK staff have responded.

The Banking, Insurance and Finance Union (Bifu), which has 15,000 members in Barclays, and the Barclays Group Staff Union with 35,000 members, have both decided to hold a ballot of members on whether to take industrial action to stop Saturday opening.

Extra pay on Saturday will be £24, £32 or £40, depending on the type of work. The first 34 pilot branches will open on August 14.

Short-time plan for Scammell

SCAMMELL MOTORS in Watford, the specialist truck arm of Leyland Vehicles, is to put 465 of its employees on short-time working later this year because of a fall in overseas demand.

The company said the employees would be laid off for 13 working days between October and Christmas. But it said it was still planning to go-ahead with major extensions to its factory.

Scammell employs about 70 0people and manufactures a range of trucks for the construction industry and tank transporters. The company is understood to be involved in negotiations for a multi-million-pound contract to supply tank transporters to a Middle Eastern country.

Vauxhall staff seek 25%

VAUXHALL unions yesterday put to the car company, on behalf of 15,000 manual workers, a pay claim which would represent rises of between 20 per cent and 25 per cent.

Union leaders at Vauxhall believe the pay claim is the biggest in the company's history.

It seeks wage rises of up to £25 a week for lowest-paid workers, a shorter working week, improved pensions and harmonisation with white-collar workers' conditions.

The unions seek a cut in the working week from 39 hours to 35 hours, in stages, though it is thought they would accept a one-hour cut for next year. They want Vauxhall to pay the full cost of safety-boots for manual workers. At the moment the company pays half the costs.

Vauxhall is expected to reply to the claim next month. Last year Vauxhall workers settled for a pay award of 5 per cent.

Foot blames Government for rail strike

BY ELINOR GOODMAN

MR MICHAEL FOOT, the Labour Party leader, last night tried to divert public anger about the rail strike away from the rail unions and the party, and on to the Government.

It has been the Government's unwillingness to honour its side of the bargain about investment in the industry, he claimed, which had led to the present dispute.

The Prime Minister, he said, had tried to pin the blame for the present industrial action on the Labour party, but that, he said, involved a "falsification of the facts. The Labour Party had been warning the Government for months that its policies were leading to a collapse of the railway system and industrial disaster on the railways."

Mr Foot's apparently unequivocal support last weekend for Aslef, the striking train drivers' union, led to criticism of him from the National Union of Railwaymen and some Labour MPs, and exposed him to taunts from the Conservative Party. In a speech last night at Tredegar, Mr Foot avoided taking one side or the other of the dispute. He preferred instead to place the responsibility for it entirely on the Government.

He did, however, defend again the rail unions' record in co-operating with the BR management. He challenged the idea that the unions' record was a "story of stubborn and blind refusal" to go along with change. In fact, he claimed, the staff had been reduced by 14,600 since August 1980. Progress had been made on six out of seven of the proposals put forward in the policy document, Balance Sheet of Change, agreed between the unions and management.

He argued that it had become obvious this year that the Government's unwillingness to come through with its side of the bargain struck with the rail industry—to provide proper investment—was creating serious tensions between the BR Board and the unions over pay and conditions.

Mr Foot has been involved throughout this week behind the scenes in trying to find a solution to the dispute. Last night Mr Foot contrasted the TUC and ACAS attempts to find a way out of the crisis with the Secretary for Transport, who, he said, had not lifted a finger.

In article in The Times today, Mr Albert Booth, Labour's shadow transport secretary, amplified the shadow cabinet's position on the dispute which he said was to welcome any settlement that was in the interests of the rail industry. "The railway network in its present form will not survive a long strike, but flexible rostering will not become the BR management's key to productivity success if it is imposed on an embittered and defeated workforce," he said.

Philip Bassett examines union democracy in the light of the rail strike

Pressure grows for secret ballots

THE GOVERNMENT is preparing to introduce a Bill on internal trade union procedures which would require unions to hold secret election ballots.

A Green Paper on the subject is likely soon, and the Government is about to begin consulting interested parties.

The Department of Employment insists that the Government will consider very carefully exactly what matters consultation should cover, and that it will not hastily incorporate into legislation measures which might prove to be ineffective. However, it is clear that the rail strike has acted as a spur towards fresh legislation.

Statements from the Prime Minister downwards make a clear comparison between the internal democratic procedures of the National Union of Railwaymen, which called off its strike, and the Associated Society of Locomotive Engineers and Firemen, which is maintaining its stoppage.

The internal procedures of the two unions are different. Mr Sid Weighell, NUR general secretary, makes a point of stressing that his union is second to none in terms of union democracy and an examination of the NUR rule book goes a considerable way towards supporting this point of view.

The basic electoral system in the union is the single transferable vote, regarded by such independent bodies as the Electoral Reform Society as the best practical option.

This system is used to elect the union's 21 full-time officers, including its general secretary and assistant general secretaries, as well as its executive committee and annual conference delegates.

However, the larger and more left-dominated branches, such as St Pancras, Tinsley and Paddington, exercise considerable influence. Branch size in the NUR varies from about 100 members to more than 1,000.

The gap in the NUR between its left-led executive committee—which voted for the recent strike by 17 votes to six—and the more moderate annual conference—which voted against it by 47 votes to 30—is now widely accepted.

The 26 members of the executive are elected individually for three years and then have to stand down. This is designed to keep the executive in closer touch with the membership and give full-time officers greater control.

The left has gained control of the executive, commanding normally at least 15 of the seats.

Aslef's election procedures are considerably more robust. Elections for the executive, for the senior officers, for the union's policy making annual assembly of delegates and for its Labour Party and TUC delegations, are all done on the basis of the block vote of branches, or of members paying the political levy, whichever is appropriate.

The union's 250-odd branches again vary considerably in size, from a handful of members in the smallest branches, such as Pwllheli, to almost 700 in the militant Stratford branch in east London.

The overall effect of the branch block vote is to give power to the left, which currently holds clear sway on the executive.

In addition to the branch block vote, the Aslef constitution provides that individuals who disagree with the candidate selected by the branch can vote individually—though clearly, such individual votes can hardly have the force of a 700-strong branch block vote.

The eight members of the executive elect the president and vice-president. The normal term of executive office is three years, though members can, and often do, succesfully stand for re-election.

The NUR's conference delegates are elected by grouping together branches to give a roughly even spread of the union's 167,000-strong membership. In practice, at least one-third of the delegates are elected unopposed, which gives some support to the view that the conference is split fairly evenly between the left, the right and the uncommitted.

Aslef's 24,000 members are grouped together by the executive into 46 districts "in such a manner as to secure as nearly as possible equal representation by all members." The method of election is again by branch block vote.

It has been argued that, whatever the method of selection, it is undemocratic for a union the size of the NUR to have only 77 delegates to its annual conference.

The vote to call off the NUR strike will probably mean that this anomaly will be ignored by the Government, but the 46-vote by the Aslef assembly on flexible rostering is likely to be accused of being unrepresenta-

THE WEEK IN THE MARKETS

Marking time in the deep-freeze

LONDON

ONLOOKER

Equities have again given a fairly good impression of suspended animation, as if committed to cold storage for the rest of the holiday season. Recovery stocks cooled off weeks ago, and there is little in the air to revive them; for the time being, however, high yields are keeping industrial shares in reasonable condition.

Tuesday's half-point cut in clearing bank base rates did nothing for banking shares—all the signs are that a sustained fall in the cost of money would squeeze the banks' profits—but it helped to keep the gilt-edged market in good fettle; the FT Government Securities Index finished the week at its 1982 high.

Musical swing

Thorn EMI has pushed up its profits for the year by 12 per cent to £105.4m. A rise of this extent had been generally expected, but it had been thought that the main driving force would be a reduction in the high level of reorganisation costs—in the region of £20m—of the previous year. In fact, with the recession lasting longer and biting deeper into some of the consumer product areas than earlier expected, there has been little, if any, reduction in reorganisation costs.

To compensate, however, the old EMI music business has been storming ahead, up from an already good £20.4m to £36.7m. The main gains have been seen in Europe, and further improvements here in the current year should go a long way to offset a softening in the U.S. market.

There has been little change overall in the consumer electronics business, with a £3.3m increase in trading profits to £72.9m. Yet within the total, TV manufacturing has bounced £15m, while rental has been held back by the heavy cost of fuelling a fast expanding market, with a £5m burden from air-freighting in video recorders and similar write-offs in early generation Prestel equipment. This year rental should show some pick up although manufacturing may decline.

Elsewhere, the film division has cancelled out profits of £12m or so in cinemas, Thames TV and social clubs, and an overall loss of £10m is attributable to the costs of developing the fast expanding video software side.

Domestic appliances have shown some recovery after the tough pruning of the previous year, although the trend in electric appliances and gas cookers is now pointing down again. Lighting, meanwhile has seen an £11m turnround and *without a £30m inventory reduction programme* in the current year may see a further improvement of the same extent.

In the engineering division, the old EMI businesses have once again come to the rescue. Although the original Thorn businesses like hydraulics and cutting-tools remain in deep difficulties, the old EMI electronics businesses are doing well.

Pre-tax profits in the current year may be in the region of £120m, and even though capital expenditure on the rental side will be heavy, a rights issue is by no means inevitable.

Rank outsider

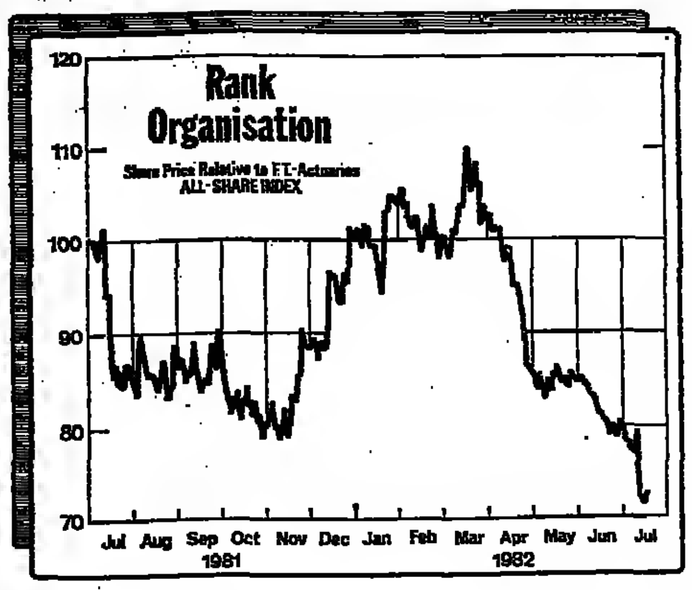
Yet again the Rank Organisation surprised the market, its 16 per cent fall in first half profits to £36.6m being a worse performance than the great majority of analysts had been expecting. On the day the shares fell 14p to 134p.

The traditional profits engine, Rank Xerox is now spluttering, its contribution dropping by £8.5m to £38.4m. Although Xerox rentals and sales moved ahead, this was only achieved at the expense of margins as Japanese competition became increasingly severe.

The recession in consumer spending, together with dire winter weather, has taken its toll of the leisure division and although the holiday businesses do not report figures at the interim stage this does not conceal the fact that they are equally subject to the decline in discretionary spending.

Gearing is likely to be in the region of 40 per cent by the year end, unless Rank finally manages to sell the Sheppard Centre in Toronto, which would realise about C$100m.

The outlook for earnings growth, particularly for Rank Xerox, does not present a very pleasant aspect, and the shares' attractions seem largely based on a *12 per cent yield*, and net assets of 258p per share.



Unigate beefs

The equity market used to think Unigate was the best thing since doorstep delivery. Soon after it sold its creameries to the Milk Marketing Board three years ago the shares were bouncing around above 130p. Now, though, they are back below 90p on a heavy double figure yield. There are no bulls in the milking shed any more.

Unigate's pile of cash has now been spent, very largely on the improvement of assets in the existing milk and milk products business, while the transport side has been expanded. There have been acquisitions, but they have not fired the market's imagination; unfair, perhaps, because Giltspur is going along nicely, and Casa Bonita, the Texas-based Mexican fast food outfit, is comfortably covering its finance charges at a seasonally slack time of year. That is a lot more than can be said for Imperial's Howard Johnson.

Rapid turnover of top management has been a disconcerting feature of the company's performance, and it has certainly not helped give the impression that Unigate knows where it is going. Add to this the increasing political uncertainties over the future of margins on the liquid milk side, and a disastrous slump in the meat business, and it is perhaps not surprising that fund managers grunt to each other about lack of growth.

The figures for the year to March 1982 tell the same story, with pre-tax profits—£50m two years ago—unchanged at £38m. But considering the £8½m swing into loss in the meat business (which was also responsible for a £14½m extraordinary charge in respect of the Scot Meat closure) it might have been worse.

This year, some loss elimination in meat and—probably—further progress in milk as operating efficiencies are squeezed out of new plant could take Unigate towards £45m. Even that may not be enough to convince the sceptics, but it would be surprising if Unigate stayed as unfashionable as it is for very much longer.

Distillers' crystal

The analysts got Distillers' figures wrong again. But it's hardly their fault, for it seems quite beyond the powers of the Distillers' board room to predict the future with anything approaching accuracy. Last August the group was forecasting improved profits for 1981-82. By December gloom had overtaken optimism and with interim profits down from £77.8m to £66m the board was talking of lower profits for the year.

Thursday's full year results were, however, only marginally down. Pre-tax profits in the twelve months to March came out at £178.5m, just £2¼m below the comparable period which was boosted by £9m of investment gains. (Distillers has a profitable side-line in selling British Petroleum shares when it feels the price is right).

Still even if the figures are better than expected, Distillers hammers home the point that trading is sluggish both at home and overseas with scotch and gin volumes down. And there are few signs of any improvement. The fall in the pound helped, of course, adding another £5m to £10m to profits and recovery in the food business was better than expected; but food really is small in terms of a group with £1bn of sales.

Yet in the meantime the cash keeps piling up. The EEC has coughed up £31m in restitution payments and working capital continues to shrink as Distillers gradually unwinds its scotch stocks as part of the long process of getting them down into line with likely future consumption. Not that the group has any real need for money. Its base business is slowly evaporating and it is a paradox of the industry that as trading declines the balance sheet improves.

The directors may well be looking for a major diversification though surely the 4.9 per cent holding in Bank of Scotland is no clue to the way they are thinking. Anyway for the time being Distillers is directing its cash towards the shareholders. The final dividend is up a penny for a yield of 9½ per cent and with little hope of any growth in trading profits it's the yield that counts.

Private premiums

The Government's two recent controversial privatisation issues, Cable & Wireless and Amersham International, both reported their year end figures this week.

Cable & Wireless, which was offered for sale in October at 168p a share and opened at a 29p premium, has romped home forecast and £37.7m ahead of 1980/81, with £97.7m pre-tax for the year to the end of March. Though profit takers trimmed the shares 7p to 283p on Wednesday, nervous holders who had decamped at the end of 1981 at 200p were doubtless feeling rather sore.

Amersham, the producer of radioactive materials for medicine and industry, by contrast came through only a shade above the £8.3m before tax forecast in its prospectus. At £8.5m the result was well below expectation, even if it represented a 109 per cent improvement over the previous year. The shares finished the week on a new high of 234p, underlining what a bargain the Government's original asking price of 142p had been.

For the current year lower interest rates should save £½m while present rates suggest a £1m lift to trading profits. With new plant helping to maintain margins and volume likely to be over 10 per cent higher, the prospect is of pre-tax advance to over £11m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982 High	1982 Low	
F.T. Govt. Secs. Index	71.19	+ 0.75	71.19	61.89	Still on interest rate hopes
F.T. Ind. Ord. Index	556.7	+ 4.0	594.0	518.1	Quietly firm
F.T. Gold Mines Index	225.0	+30.5	302.0	181.2	Iran/Iraq war boosts gold
Anglo American Corp.	492	+65	675	380	Firm metal prices
Beecham	290	+18	296	214	Good demand
Bulmer (H.P.)	480	+46	480	287	Excellent annual figures
Chemring	390	+35	400	232	Press comment
Distillers	188	+13	188	162	Better-than-expected results
Durban Deep	720	+170	890	525	Bear squeeze
Eurotherm	448	+48	448	233	Good interim figures
Hambro Life	251	−35	335	249	Disappointing New Business figs.
Harris (P.)	94	+16	102	74	Better-than-expected results
Henlys	94	+13	119	75	*Speculative demand*
James (Maurice)	29	+ 3½	30	21	Bid approach
London & Midland Inds.	88	+ 9	102	78	Better-than-expected results
Mixconcrete	177	+52	178	84	Pioneer Concrete 155p bid
Shaw Carpets	10½	− 4½	18½	10½	Full-year loss/nominal div.
Sothebys	305	+28	393	267	U.S. bid hopes
Thorn EMI	405	+23	485	380	Good results/no rights issue
Utd. Gas Inds.	135	+40	140	74	Bid from Hanson Trust

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	8.50	8.75	10.00	10.25	1 year high option, 10.75 6 years sixty plus, 9.25-10.75 1-5 years open bondshares
Aid to Thrift	9.55	9.80	—	—	
Alliance	8.50	8.75	10.50	10.75	5 y., 10.25 4 y., 10.25 £500 min. 2 m. not. or £100+60 d. int. pen.
Anglia	8.50	8.75	10.00	10.75	6 y., 3 m. not., 3 y., 2 m. not. 10.25, 1 mth.'s not all int. loss
Birmingham and Bridgwater	8.50	8.75	10.25	10.75	5 years, 9.85 2½ years
Bradford and Bingley	8.25	8.75	10.00	9.75	1 month's notice
Bristol Economic	8.50	8.75	10.00	9.50	3 months' notice and 8.75 on balances of £10,000 and over. Escalator shs. 9.25-10.75 (1-5 y.)
Britannia	8.50	8.75	10.00	10.75	5 y. option bond, 10.00 2 m. not.
Burnley	8.50	8.75	10.00	10.75	5 yrs., 3 mth. not.; 9.75 1 m. not.
Cardiff	8.50	‡9.25	10.25	9.50	on bal.: £3,000-10,000, ‡ to £3,000
Cardiff	—	10.00	—	—	£10,000 and over
Catholic	10.00	9.00	10.00	9.25	on share balances of £5,001+
Chelsea	8.50	8.75	10.00	10.00	1 mth. or on demand (int. pen.)
Cheltenham and Gloucester	8.50	8.75	10.00	—	Gold Account. Savings of £1,000
Cheltenham and Golucester	—	9.75	—	—	or more (8.75 otherwise).
Citizens Regency	8.50	9.00	10.25	10.75	5 y., 10.05 3 m. not./1 m. int. l'ss
City of London (The)	8.75	9.10	10.25	10.25	Cap Clt shs–4 mths' not.–no pen
Coventry Economic	8.50	8.75	10.25	10.50	4 yrs., 10.25 3 yrs., 10.00 3 mths.
Derbyshire	8.50	8.75	10.00	9.25-9.85	(3 months' notice)
Ealing and Acton	8.50	9.25	—	8.90	2 yrs., £2,000 min.
Gateway	8.50	8.75	10.00	10.75	5 years
Gateway	—	9.75	—	—	Plus a/c £500 min. Int. ½-yearly
Guardian	8.50	9.00	—	10.75	6 mth., 10.25 3 mth., £1,000 min.
Halifax	8.50	8.75	10.00	10.75	5 yrs., 3 mth.' wdl. notice
Heart of England	8.50	8.75	10.50	—	3 mths.' notice 9.75, 5 yrs. 10.75
Hearts of Oak and Enfield	8.50	9.00	10.50	10.75	5 yrs., 10.25 6 mth., 10.00 4 mth.
Hendon	8.00	9.75	—	10.50	6 mths., 10.25 3 mths.
Lambeth	8.50	9.00	10.50	11.00	5 yrs., 10.75 6 months' notice
Leamington Spa	8.60	8.85	11.93	10.35	1 year
Leeds and Holbeck	8.50	8.75	10.50	10.75	5 yrs., 9.75 1 mth. int. penalty
Leeds Permanent	8.50	8.75	10.00	10.75	3 yrs., E.I. a/c £500 min. 9.75
Leicester	8.50	8.75	10.00	10.75	5 yrs., 10.25 4 yrs., 9.75 3 mths.
London Grosvenor	8.00	9.25	11.00	9.75	3 mths.' notice 1 mth. int. pen.
Midshires	8.50	8.75	10.00	10.25	1 year
Mornington	9.30	9.80	—	—	
National Counties	8.75	9.05	10.05	9.75	35 days' notice min. dep. £500, 10.15 6 mths.' min. dep. £500
Nationwide	8.50	8.75	10.00	10.75	5 yrs., £500 min. 90 days' notice. Bonus a/c 9.75 £1,000 min., 28 days' notice
Newcastle	8.50	8.75	10.00	10.75	4 yrs., 9.75 28 days' notice, or on demand 28 days' int. penalty
New Cross	*9.25*	9.50	—	*9.50-10.00*	*on share accs.*, depending on min. balance over 6 months
Northern Rock	8.50	8.75	10.00	10.75	5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	8.50	8.75	10.25	9.75	3 yrs., 9.50 2 yrs.
Paddington	8.25	9.25	10.75	10.25	Loss 1 month int. on sums wdn.
Peckham Mutual	9.25	9.50	—	10.00	2 y., 10.5 3 y., 11.0 4 y., 9.75 Bns.
Portsmouth	8.85	9.05	10.55	11.10	(5 yrs.) to 10.50 (6 mths.)
Property Owners	8.75	9.25	10.75	10.75	4 yrs., 10.75 6 mth., 10.25 3 mth.
Provincial	8.50	8.75	10.00	10.75	3 yrs., 9.75 1 month
Scarborough	8.50	8.75	10.00	11.00	3 months' notice int. pen.
Skipton	8.50	8.75	10.00	9.85-10.00	28 days' interest penalty
Sussex County	8.75	8.00	11.25	10.00	2 yrs. (early withdrawal option)
Sussex Mutual	8.75	9.25	10.75	9.50-10.75	all with special options
Town and Country	8.50	8.75	10.00	11.00	5 yr., 10.75 3 yr. 60 d. wdl. not., 10 2 mth. not./28 days' int. loss
Wessex	8.75	9.80	—	—	
Woolwich	8.50	8.75	10.00	10.75	90 days (int. loss), 9.75 immed. access (int. loss) or 28 dys.' not.
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	8.50	8.75	10.00	10.25	5 yrs., 10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs., 10.00 Golden key 28 days' penalty interest

*Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

A star is found

NEW YORK

PAUL BETTS

THE STOCK MARKET has tried to pull itself together to get the traditional summer rally going. For a short moment, it seemed that it had started. On Monday, the blue chip indicator steamed more than ten points ahead. It was the fifth consecutive daily gain in the index which had managed to chalk up nearly 30 points in what had every sign of looking like the makings of an extended rally.

But by Tuesday, Wall Street was beginning to have second thoughts. The rally petered out and the bulls, to coin a popular New York expression, again seemed to be talking an awful lot of bull. Any hope about an early economic recovery in the second half quickly faded with the latest batch of depressing economic news.

Detroit car sales in the first ten days of the month were terrible. They dropped by as much as 16 per cent compared with the same period the year before which was also terrible. This immediately prompted General Motors to reinstate special incentives to try to boost sales. The incentives had been scrapped earlier in the hope that renewed demand would sustain higher sales without having to offer promotions which have done little to improve Detroit's balance sheets.

Although a number of economists continue to forecast a consumer led recovery (there is no hope of help from capital goods with plants operating at 69.8 per cent last month), the retail figures for June released this week were awful. In May, retail sales had increased by an encouraging 2.7 per cent. But last month, to the disappointment of Wall Street, they fell 1.5 per cent.

To make matters worse, June industrial production figures were reported the following day showing a 0.7 per cent decline. This further indication that the recession *had* continued last month making it all the more likely that unemployment could hit the ten per cent zone did little to boost the market's sagging spirits. And if all this was not enough, the Labour Department reported that wholesale prices last month rose by a full percentage point for the largest monthly increase since March 1981. The latest rise followed no increase in May and a modest 0.1 per cent rise in April.

Wall Street has little doubt who is the main villain of all this economic mess. It is, of course, the old problem of high interest rates and in turn the Fed's money squeeze. The market had started rallying on the expectations of an easing, at long last, of short term rates. Interest rates have come down and the concensus is now wide that the Fed has become more accoddomating. But the market had hoped for a strong visible signal that rates were finally coming down on a sustained basis. The word was that the major banks would lower their prime to 16 per cent from 16½ per cent this week. The market, on this expectation roared ahead on Monday—a day when trading volume hit nearly 75m shares for the fifth busiest day in the history of the market. But the banks kept their prime lending rates unchanged and the market never received the psychological booster.

This was also the week when companies started reporting their second-quarter and first-half results. In general, the corporate earnings picture was bad. The market had expected these poor earnings figures, but it is now beginning to get increasingly worried about third-quarter corporate performance. With hopes of an early second-half recovery fast receding despite the July 1 10 per cent income-tax cut and the high increase in social security costs which are supposed to prompt greater consumer spending, corporate balance-sheets are likely to remain under pressure in coming months.

In spite of all the confusion and uncertainty in the market, Wall Street has found a star. McDonald's—the fast-food and hamburger king—is currently trading close to its all time high of nearly 78. And like McDonald's, other fast food chains from Dunkin' Donuts to Denny's are becoming increasingly popular on Wall Street. The general feeling is that this group will probably outperform the market. The reason is that they could well set a new trend in economic patterns—the so-called "Big-Mac" or "Chicken McNugget" induced recovery. With the hopes of a retail-spending induced recovery fading, the McDonald's are now replacing the Sears Roebucks as the sector most likely to lead the recovery when it finally *happens*.

With the extra dollars from the July 1 tax cut, consumers are likely to rush to the restaurant, according to the Value Line Investment Survey. "Consumers are quick to treat themselves to a meal away from home when their confidence in the economy grows—but long before their finances have improved to the point where they can even consider making big-ticket purchases."

MONDAY	824.87	+10.75
TUESDAY	824.20	− 0.67
WEDNESDAY	828.39	+ 4.19
THURSDAY	827.34	− 1.05

A slight parting of the clouds

MINING

KENNETH MARSTON

THE SUN shone on the prices of many mining shares and metals this week, although the returning buyers may have seemed to carry that air of slight unreality that we all feel when coming back to everyday life from a distant holiday.

The improvement in precious and base metal prices which filtered through to the sharemarket has been prompted to a large extent by the recent easing in exchange rates although these, especially in the U.S., have much further to fall before they can be considered as anywhere near reasonable. And this could take time.

The hotting up of the war between Iran and Iraq has been cited as another reason for the firmer price of gold, although such political events have had little or no bearing on the price in the recent past.

The view is thus being expressed that gold is responding to another factor and that is the growing concern for the world banking system which is running into a crisis of confidence with major banks suffering severe liquidity problems.

At all events, a good deal of interest has been aroused by the predictions of the Aden sisters from their Costa Rican research centre. Last year they forecast that the bear phase in the gold price would last until about March to July 1982 during which it would start to form a trough in an approximate range of $300 to $325 per ounce.

This has happened. What remains to be seen now is the outcome of the next projection which is that once the major gold trough has been confirmed it will lead to the start of a new bull market in the metal and, incidentally, another inflationary phase of the economic cycle.

If this happens, the Adens expect the gold price gradually to rise to its previous peak of $850 by early to mid-1984. This seems to be quite enough to be going on with for the present because after the $850 level is passed the price is expected by the sisters to rocket to unheard-of heights until sometime between September 1985 and September 1986 after which the bull market will end. Well, we shall see.

The slightly better prices for base metals, notably copper, may have helped sentiment in mining shares if only to demonstrate that with the help of past production cutbacks the metals are in a position to respond smartly to any revival of demand.

But prices are still pitifully low. In real terms copper is back to where it was in the 1930s and whereas many mines were still able to make a profit in that recession the subsequent advance in production costs means that most of the industry is now working at a loss.

In Australia Sir Arvi Parbo, chairman of Western Mining Corporation Holdings has warned that the mining industry there is nearing the point at which there will have to be shutdowns of major operations.

"There is obviously a limit to how long companies can continue operating at a substantial cash loss at a time when interest rates are in the 20 per cent range," he added.

So far Western Mining has managed to stay in profits, but the margin must now be getting very thin. Sir Arvi's comments were no doubt partly intended for the benefit of the trade unions there after a period when wages have steadily increased while profits and metal prices have fallen.

In Canada, it is not so much a question of getting a wage rise as one of keeping a job. The multi-metal producer Sherritt Gordon, for example, which has been lengthening its summer closedowns of mining operations and laying off employees has now told the salaried workers—as opposed to those on hourly pay—that their salaries will be frozen until at least next June.

Indicative of the industry's fortunes, the giant Noranda Mines has moved deeper into the red in the second quarter. Hit by a recession in its industrial products and pulp and paper operations in addition to low metal prices, the Canadian company has lost C$57.1m (£26.2m) in the quarter.

This increases the loss for the first half of the year to C$75.4m compared with a net profit of C$180.5m in the same period of 1981 which included a non-recurring gain of C$76.5m. "It is fortunate," says the company, "that Noranda entered 1982 in strong financial condition."

Fortunate, indeed, because the outlook for the rest of this year is none too promising. Still, the company reckons that it will "emerge from 1982 in a satisfactory condition" and Toronto investment analysts all expect Noranda to be back in profit again next year.

On a more cheerful note, London's Hampton Gold Mining Areas has doubled its net profit to £1.85m for the year to March 31 and has raised the dividend to 3p from 2.5p.

Major factors in this good performance have included increased investment income boosted by high interest rates and a good rise in the royalties paid by Western Mining for mining nickel on part of Hampton Areas' ground in Australia.

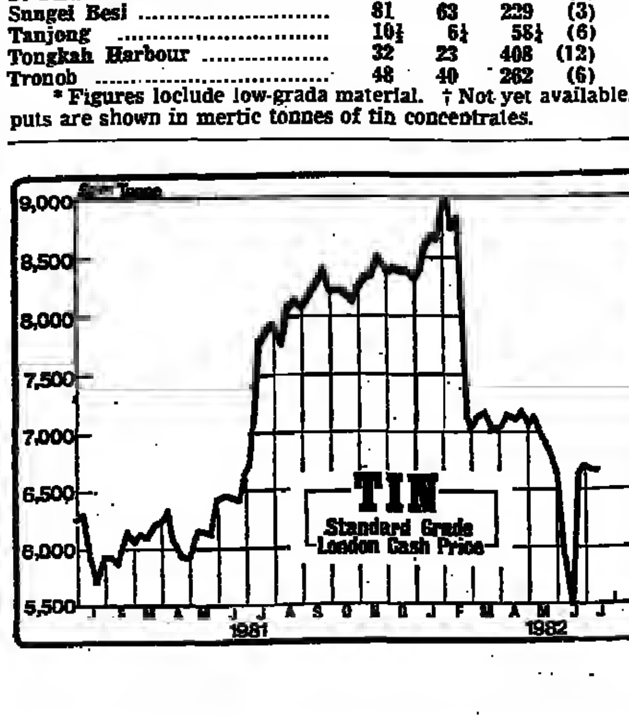
The UK coal mining operations have also done well but sales of mining equipment by the Wullex subsidiary have fallen in line with lower purchases by the National Coal Board. Looking ahead, Hampton Areas has recently made moves into U.S. interests covering coal, mining equipment supply and exploration.

These form part of a long-term aim to achieve a geographical balance of activities in the UK, Australia and the U.S. As far as earnings in the current year are concerned, however, Hampton Areas will do well to match the 1981-82 performance.

TIN OUTPUTS COMPARED

	June 1982 tonnes	May 1982 tonnes	Total to date tonnes	(months)	Same period previous year tonnes
Amal of Nigeria (columbite)	†	†	†	(†)	†
Amal of Nigeria (tin)	†	†	106	*(1)*	127
Aokam	97	117	1,320	(12)	1,247
Ayer Hitam	118	125	1,687	(12)	1,346
Berjuntai	243	307	550	(2)	604
CRM Sri Timah	†	54½	257	(5)	293½
Geevor*	122	106	341	(3)	345
Gold and Base (tin)	†	16	81	(5)	86
Gopeng	136½	147½	1,342½	(9)	1,215½
Kamunting	13	15	43	(3)	33
Kinta Kellas	37½	34½	72½	(2)	73½
Malayan	665	770	8,503	(12)	6,576
Pahang	65	85	968	(11)	1,141
Petaling	†	79½	608	(7)	582½
Rahman	†	78½	1,105	(11)	1,124½
St Piran—Far East	4	11	15	(3)	39
St Piran—UK (South Crofty)	171	140	481	(3)	475
St Piran—Thailand	36	41	131	(3)	190
Sungei Besi	81	63	229	(3)	235
Tanjong	10½	6½	58½	(6)	92½
Tongkah Harbour	32	23	408	(12)	388
Tronoh	48	40	262	(6)	788

* Figures include low-grade material. † Not yet available. Outputs are shown in metric tonnes of tin concentrates.



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YOUR SAVINGS AND INVESTMENTS—1

Avoidance of stamp duty

Under the terms of my divorce settlement, I was to give my former husband £32,000 as my half-share of the matrimonial home which would be transferred to us as joint owners. I have been giving the £32,000 by instalments, the balance now being £3,000.
Could you please tell me what stamp duty, if any, will be payable? My accountant has suggested that if my former husband made a "declaration of trust," i.e. that he held the property on trust for me, stamp duty might be avoided.

We think that it would be possible to avoid having a transfer of the property by the means which has been suggested to you. Your former husband would have to make an oral declaration of trust and then execute a deed of appointment appointing you as trustee affecting the property. On presentation of the deed the proprietorship register can be amended to show you both as joint proprietors, but you should enter the restriction which is appropriate where the beneficial interest is a tenancy in common.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Commutation of a pension

With reference to the letter of May 24th headed "Computation of a pension," could you please tell me if the "lump sum" is taken and an annuity purchased, whether the taxable part of the annuity is classed as earned or unearned income, and whether, if the latter, is subject to Investment Surcharge if it brings the investment income above £6,250?

The taxable element in an annuity purchased in these circumstances is indeed subject to investment income surcharge; it does not fall within the definition of earned income (in section 530 of the Taxes Act).

Disposal of club funds

Up to 1958 our village had a working men's club, which, due to lack of support, was then closed down and the assets sold. All monies, about £140,000 was put in a savings bank account and two members of the committee were appointed as trustees. No interest has been shown since then in re-starting the club and the trustees are seeking legal advice as to how to dispose of the money. Could you please help?

If the trustees who have been appointed are unable to trace any members of the club so as to make a distribution of the funds to them, they will have to pay the funds into court if they wish to get a good discharge. This can be done in your local County Court. It may be wise to do this in any event, if it is not clear that the club was a members' club whose members at the date of closing down the club would have been entitled to share its assets among themselves.

Redemption of gilt-edged

I am aware that C.G.T. does not apply to Government Stocks if held for more than one year but what is the position please with Exchequer 3 per cent 1983 bought April 8 1982, overlooking the Redemption date of February 15 1983?

Someone (resident in the UK) who buys a gilt-edged security below par within a year of its fixed or final redemption date cannot escape a potential CGT liability, unless there is a conversion right (or offer). This has been so since 1969.

Garage and rate relief

I have a lock-up garage in my garden and grounds which is used entirely for domestic purposes. The local authority say I do not qualify for domestic relief as presumably the square footage of the garage floor exceeds 259 square feet. Is this correct please?

Since it has been held that a garage occupied together with a house may nevertheless form a separate hereditament, and since a garage which is a separate hereditament would not be occupied wholly for the purpose of a private dwelling, it would appear that the refusal of domestic relief in respect of the garage is justified.

Sale subject to right of way

I live on a private estate whose roads, verges and various small plots of land are owned by trustees on behalf of the residents. The trustees have the legal powers to sell, mortgage or lease these plots.

I wish to buy and the trustees are willing to sell a small plot adjoining my house but there is a Right of Way across this land available to the residents of the estate. Is there any legal reason why the trustees should not sell to me providing I agree to have the right of way written into the Conveyance? Or, must it be written in since the Conveyance giving the trustees selling powers makes no mention of the right of way?

The trustees are free to sell to you subject to the private rights of way. However the conveyance to you is framed the legal estate which you acquire under it will be subject to the legal easements (rights of way) already in existence. It is therefore preferable for the Conveyance to state that the land is conveyed subject to the rights of way in question.

Remittance basis for tax

In Finance and Family on May 29 1982, under the heading Remittance Bases for Tax, you stated that, for persons resident in the UK but domiciled elsewhere, the remittance basis of tax only applied to gains on the disposal of assets deemed to be situated outside the UK (which could include bearer UK shares). Would you kindly advise me further whether:
1 — Where London is the only or most convenient market for dealing in such shares, can I safely deal directly with a London stockbroker (with settlement being made through a Jersey bank), or should I deal through a Jersey broker or through a Jersey bank, either of which will be able to issue a Jersey contract note?
2 — Where an overseas market is more suitable, can I safely deal through a London broker, who might then use his overseas office to carry out the transaction, or should I deal directly with his overseas office?
3 — Would UK shares in allotment letter form (e.g. new issues or rights issues, sold before becoming registered securities) be deemed to be situated where the allotment letter is held and thus, if held in Jersey, to be non-UK assets under the CGT rules?

We strongly recommend you to seek skilled professional guidance through the CGT minefield. The following answers can be no more than broad guidelines.

1 — You should send your instructions direct to a Jersey broker who is prepared to buy from you as principal.

2 — You should send your instructions direct to a broker overseas.

3 — The effect of section 64(2) of the CGT Act 1979 is to subject allotment letters (fully or partly paid) to the rules for the shares to which they relate.

Charles Batchelor on the final payout for Rolls-Royce shareholders

Cashing in on the greatest car in the world

A ROLLS-ROYCE, until recently at least, was the only car which could be guaranteed to increase in value with age. Shares in the defunct Rolls-Royce company, which collapsed in 1971, have also demonstrated a remarkable ability to defy the apparent logic of the market place.

If you were one of the 80,000 investors in the flagship of British industry which sank so ignominiously more than 11 years ago you would have had reason to smile this week.

If you had used your share certificates to paper your walls or line your lampshades you would have had cause to reclaim them.

The liquidators of the former aero-engine and motor group announced on Tuesday the fifth and final payment to stockholders in the failed company.

The final 9.5p distribution takes the total payment to 64.5p — much more than anyone expected in 1971. It is also just over 1p more than liquidators hoped to pay out in 1979. Delays in making the final payment meant the sums invested earned yet more interest.

In all the liquidators have paid £42.3m back to the Ordinary stockholders.

Leafing through the dusty files of 1971 reveals universal gloom among City editors of most newspapers. Escalating costs of the development of the RB-211 engine for Lockheed Corporation's new TriStar jet had put an intolerable strain on the Rolls-Royce group.

"Almost certainly worthless," "valueless," "A bleak day in the City" was the general view. Even Mr Rupert Nicholson, the receiver, told a shareholders' meeting that it was "possible but not likely" that they would get something back.

Only one far-sighted Financial Times reader wrote to this paper to say that "the assumption that the shares are worthless is too facile." Where are you now, Mr MacIntosh of Berkhamsted?

RR went under on February 4, 11 days ahead of decimalisation day, at a suspension price of 7s 6d, or 37½p. Stockholders have had to wait 11 years for the final payout, but they have comfortably topped this figure. If you bought at the 1½d low reached when trading resumed briefly after the crash your return is even better.

This has been one of the longest ever liquidation sagas in history. One of the major problems has been to trace those stockholders who have died, and sometimes their beneficiaries too.

A team of three liquidators is unprecedented in any company failure but the winding up of RR has required two successive teams of accountants.

RR Realisations, as the company is now inelegantly called, has also outlasted the shareholders' action group set up in the aftermath of the crash by a Sussex solicitor to fight for a fair deal.

How have stockholders been able to rescue so much from what seemed an impossible situation? There is no doubt that the receiver and the two teams of liquidators have acted extremely effectively. They persuaded the Heath Government, which professed to have little time for "lame ducks," to put up £87.5m in to the aero-engine group; they arranged the flotation of the motor division for £37.2m and they sold off other assets for £112.8m.

Who are the owners of the "old" Rolls-Royce shares? Most of them held stock worth a nominal £100-£2,000, placing them firmly in the widows' and orphans' league. One diligent reporter back in 1971 discovered that the 19 thick volumes listing their names at Companies House included eight called Rolls and 13 called Royce.

As many as 40 per cent of the stockholders may now be in the U.S. Many American investors rushed into Rolls-Royce stock in the few days of post-crash trading.

Morgan Guaranty, the U.S. bank which was the principal issuer of American Depositary Receipts, through which most Americans held their shares, knows of 24,000 registered holders of nearly 25m R-R shares in the U.S.

This means of course that some of the British taxpayers' money which went into the Rolls-Royce rescue has ended up in American pockets.

But, as one man who has followed the affair closely commented, "If the old lady in Wyoming was prepared to take a chance when British investors weren't, then good luck to her."

Interest rates and herd instinct

IF A troupe of elephants are thinking hard about their lunch, it may take more than one prod from the ring-master to set them dancing. So it is with the clearing banks and their response to signals from the monetary authorities. As long as the banks' basic fodder of seven day interbank money cost them three-eighths of a point more than their 12½ per cent base rate—which was most of the time since base rates were cut on June 8—they would put up with quite a lot of goading before consenting to cut their base rates again.

The Bank of England had to keep prodding for a week—eventually dropping its intervention rates by half a point—before the clearers finally took the hint on Tuesday morning, moving base rates down to 12 per cent.

The authorities' main reason for wanting easier rates is the protracted delay which has beset the Government's forecast recovery in output and employment. If base rates could be persuaded to fall by a further point or two this summer, there would be some relief in official circles. The recovery might—after all — be massaged into existence.

Industrial companies would feel much the same. This week's half point was worth having, but the CBI still complains that real interest rates are more than twice as high as the real return available from business ventures.

If base rates were manipulated down towards 10 per cent, clearers and building societies would be forced to cut their mortgage rates. But for the moment the clearers have made no concession to their home-loan customers, and the building societies will not have to take action before September to defend their share of the mortgage market.

For the clearers themselves this turn of monetary policy is unlikely to be welcome. Their competitive position vis a vis the building societies becomes weaker as rates fall. This time they did not feel able—as they did in June—to cut their deposit rates more steeply than base rates.

Although bank charges are designed to rise automatically at lower interest rate levels—offsetting the loss of endowment income on current balances—corporate and personal customers alike are becoming more alive to the cost of banking services.

If interest rates fall far enough the banks may even be threatened by a revival in the corporate bond market, cutting into their position as borrowers and lenders.

What may save the clearers' bacon is the tension between an easier money policy in the UK and continued strictness from the Federal Reserve. That combination could put pressure on sterling. At present, the authorities might not worry if the exchange rate slipped a little—it would help exports and employment, if not inflation. But if things were going too far, there would be a screech of monetary brakes.

Jeremy Stone

Abbey National's latest move . . .

Ruffling a few feathers

ABBEY NATIONAL has yet again managed to ruffle more than a few feathers within the building society movement, with its plans to launch a new extra interest savings scheme for which investors will have to give only seven days' notice of withdrawals.

The new savings scheme is planned at a time when other societies have been concentrating their minds on how to reduce the costs of raising funds through extra interest short-notice withdrawal accounts. Abbey, by contrast, appears to be going even further up a road along which other societies are now trying to retreat.

The new account to be launched next month will carry a premium, probably ½ per cent, above the Building Societies recommended ordinary share rate of 8.75 per cent. Investors will have to maintain a minimum balance of only £100 and there will be no loss of interest on withdrawal from the account.

Some rival schemes operated by larger societies also require a minimum 28 days' notice of withdrawals and investors can lose a similar number of days' interest payments on taking their money out of accounts.

The ability of societies to maintain extra interest savings accounts has clearly been eroded since most societies either stopped charging borrowers higher rates of interest on larger loans or raised the trigger points at which higher rates would be charged.

A number of leading societies have recently announced moves to reduce the premium on some extra interest accounts from 2 per cent to 1½ per cent.

Abbey itself has made no secret of its dislike of extra interest short-notice withdrawal accounts which the society believes is an expensive way of attracting short term volatile savings.

Sir Campbell Adamson, Abbey's chairman, speaking at the society's annual lunch this week said: "Our basic investment philosophy is to reduce the costs of "hot" money and provide a higher rate of return to investors of more stable funds."

"However recent moves within the industry which are motivated more by a wish to preserve individual societies' market positions than by any consideration of the cost, and use, to which funds are to be put, have complicated matters."

Abbey, however, says it has suffered a loss in its competitive edge by not introducing extra interest short notice withdrawal schemes.

The society which is in the process of rationalising its various savings accounts may regard the new scheme as a short term measure but it runs the risk of attracting more high cost money than it might wish. Investors seeking to transfer to the new account might be advised to do this sooner rather than later. If not they might find the tap turned off—as has happened with other societies—and may find themselves unable to transfer to the new account if this looks like being too successful.

Some of the larger societies have warned that Abbey's move could increase the cost of raising money. If they are forced to follow suit this could mean that in the long term mortgage rates may have to be higher.

Andrew Taylor

YOUR SAVINGS AND INVESTMENTS—2

A tax dilemma over mortgages

Rosemary Burr reports on the new headache for borrowers

THE GOVERNMENT has set a cat among the pigeons in the mortgage market. The story all started with the seemingly simple decision to change the way tax relief on mortgage repayments was given.

At present individuals make gross repayments and claim back the tax relief through the coding system. From April 1 next year, however, borrowers will make their repayments net of basic tax relief.

On the face of it this sounds easy enough. Lenders simply deduct tax at the standard rate from the gross monthly repayments. But the complications began when the building societies announced that they did not fancy the administrative burden of coping with what would be gradually rising payments on each mortgage.

Under the existing system, each equal gross monthly instalment on a mortgage contains a progressively falling interest element and a rising capital component. Towards the end of the life of the mortgage the instalments consist almost entirely of capital. This means that the tax relief on the interest element shrinks over the years. So if the payments are made net of tax relief, they must rise to compensate. The difference between payments at the beginning and end of the mortgage term could be of the order of 40 per cent.

But the building societies announced that they wanted a constant net repayment mortgage arrangement. This meant they would average out the amount of tax relief throughout the life of the loan and deduct this sum from the monthly repayments.

Under this system the amount payable in the early years would have risen but the total sum repaid would have fallen. The slightly accelerated repayment of the capital would mean a lower overall interest burden.

George Cunningham, a Social Democratic MP, was one of the first to voice objections to the building societies' plan. This week the Government announced it had been given an assurance from building societies that borrowers would not be forced to switch to mortgages with equal net repayments. The idea is to avoid further pressure being put upon young couples trying to cope with a big new mortgage.

Unfortunately the saga does not end there. The building societies and banks are still having talks with the Inland Revenue to sort out just how to operate under the new rules. Outstanding issues include the treatment of mortgages over £25,000, the method of claiming tax relief on home improvement loans and how to treat borrowers who pay tax in excess of 30 per cent.

At this stage it is still unclear what the majority of lenders in the mortgage market will do. The building societies are awaiting clarification on the technical details from the Building Societies Association while among the banks National Westminster and Lloyds are still working out their tactics.

Midland says "the mechanics still have to be sorted out" but that it planned simply to deduct the tax at 30 per cent from existing gross payments and not offer borrowers the chance of opting for the averaging out system.

Meanwhile, Barclays says it will give borrowers a choice. Under the averaging system the bank says "initial payments will be higher than now but you will be paying capital off earlier. In the case of a 25 year £20,000 mortgage you could save £5,000."

Clearly much remains to be settled but the building societies' decision has given straight repayment mortgages a new lease of life. Life companies were hoping for a bonanza as under the averaging out system the extra cost of endowment mortgages in the early years compared with conventional repayment mortgages would have been almost eliminated.

Finding the Midas touch

IF YOU want to buy gold coins, take physical possession and avoid VAT then a scheme called the Midas Touch, run by Chester Stamp and Coin Centre, may be for you. The idea is amazingly simple: the Chester firm acts as a go-between matching buyers and sellers, none of whom are registered for VAT.

To attract sellers the firm is willing to pay a premium while it charges buyers a service charge which is fixed according to the type of coin. At the moment with Krugerands in short supply the firm is paying £4 over the going rate to people wishing to sell their pieces of gold. The buyer pays this purchase price plus £8 service charge which is still less than the going rate plus 15 per cent VAT.

The only loser is the Government. Anyone wishing to sell coins gets a higher price than elsewhere, the buyer pays less than if VAT was charged and the Chester firm gets £8 commission per coin whereas before VAT was imposed the spread between the firm's buying and selling price was £4.

Of course the scheme depends on the firm being able to match supply and demand. As far as David Fielden, a partner is concerned the scheme has stopped the collapse of bullion sales. "After the imposition of VAT, we got clobbered. Sales in May were one tenth of the level between January and March."

The scheme has been running since June and bullion sales are currently exceeding those of the first quarter of this year. Last week, Fielden received a letter from the Customs and Excise giving what is described as "grudging approval" to the scheme. So it seems you can have your coin and keep it.

Brokerage for its own sake

Barry Riley on the Stock Exchange's warning shots

DO YOU ever get that churned-up feeling? No, not in your stomach, but in your investment portfolio? Then the Stock Exchange has a few words of comfort for you.

This week the Stock Exchange Council moved to remind stockbrokers of the iniquities of churning, or as it is more formally described "excessive trading for clients." It is, of course, quite common for investors to place their portfolios in the hands of their stockbrokers, and to grant them discretion in the buying and selling of individual shares. Often this works very well. But such an arrangement inevitably creates a conflict of interest, for stockbrokers live on commission. The temptation is there to turn over the portfolio artificially rapidly.

The Council admits that over the years it has come across "occasional cases" in which unjustifiable churning has occurred. There have been complaints from clients, and in the course of investigations of member firms the Stock Exchange has sometimes unearthed cases of unscrupulous behaviour.

The finger is pointed not so much at the big firms which run organised private client departments as at firms where brokers operate on a commission-sharing basis.

But how do you define "excessive trading"? Brokers point out that clients may place widely different instructions. Some may ask to be active—dealing heavily, for instance, within each two-week account. Others may only wish to sell for defensive reasons, if something goes wrong.

The Stock Exchange works on the principle that a broker should always adopt a course of conduct which is to the best advantage of his client. It reckons that churning is easier to recognise than to define. However, the Council has set out some guidelines in a Practice Note. It will be on the look out for:

- unreasonably high turnover;
- a reckless disregard for prudent management of the account
- dealing in unsuitable securities.

What is clearly sensible in a discretionary relationship is that the client should set out his instructions clearly in writing. However, the Council insists that a remit to deal actively would not of itself be enough to rebut a charge of churning, and nor would the achievement of a net profit. The question would be whether the broker was dealing more for his own benefit than for that of his client.

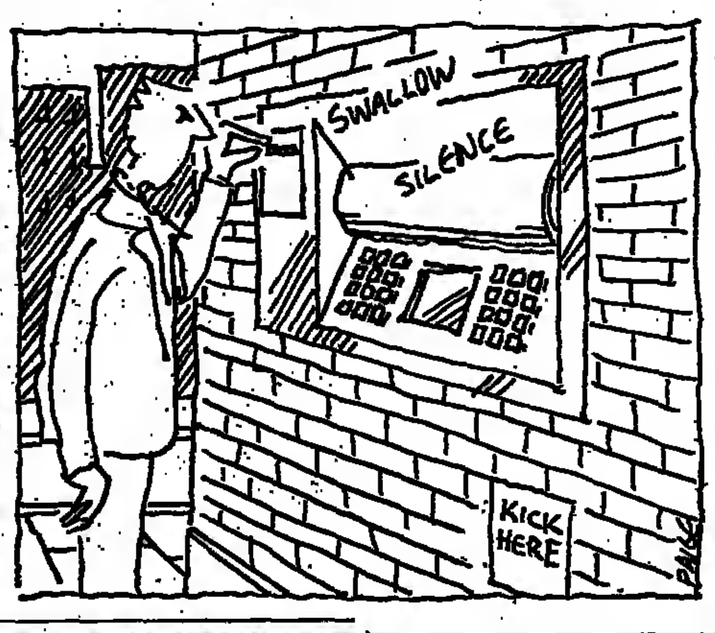
According to the senior partner of one leading firm of private client brokers, this week's Stock Exchange Notice is "a warning shot across a very very few bows." But it is generally agreed that the Practice Note has been very hard to draft.

On the one hand, there are some genuine hard cases. For instance, it is understood that the Stock Exchange's Compensation Fund recently agreed to settle the claim of a client of a hammered broker, on evidence of excessive dealing.

On the other hand, disgruntled clients might seize a chance to make complaints against their brokers even when they had specifically asked to be active traders.

The message for investors is that they must be aware of the potential pressures on their brokers, and they should monitor dealings closely. The danger is much greater when the investor is unwilling to pay attention to what is going on. As the Practice Note points out: "An otherwise knowledgeable and worldly client may be totally ignorant of Stock Exchange matters."

Gamble on cash



ANYONE WITH a cash card knows that sinking feeling when on approaching the dispenser of your choice you spot the tell-tale "not in service" notice. One reader—a National Westminster customer—talks of what has become a "regular gamble" at a branch in Oxford Street.

So what are the odds on your finding the automatic teller in the High Street out of action? National Westminster and Barclays say the average "downtime" is around 10 per cent. In plain English this means one in every ten machines will not be working right now.

Lloyds claims to do a little better with an average of 7 per cent in "downtime." The bank says its target was to have 95 per cent of the machines operational but now that it has installed more than one machine at several outlets slightly less attention is paid if a site has one automatic teller out of order provided the other is still working.

Midland Bank comes out top. It says only 4 per cent of the bank's 430 autobanks are out of order on average.

Despite these periodic flashes of computerised amnesia, NatWest's 630 machines still managed to dispense about £54.5m in four weeks according to the latest figures. Put another way, customers won their gamble with the electronic machine 2.3m times in a single month.

Where to get free advice

IF THE RECENT gyrations in gold have whetted your appetite for Krugerrands then a free directory published by International Gold Corporation may be helpful. The 73-page booklet gives the names of more than 7,400 bank branches, bullion coin dealers, commodity brokers, stockbrokers and jewellers who deal in the gold coins with private investors in the UK.

Apart from listing the dealers' names information on the type of service is given. This includes details of payment, buying and selling prices, storage and delivery time.

Another free handout is Arranging Your Affairs, a booklet produced by Hambro Life Assurance. The leaflet is full of useful advice on such matters as wills, gifting parts of your body and taxes on death. There is also a leaflet called What I Own and Where it is Kept which can be filled so that your next of kin has details of your bank accounts, credit cards, life insurance, etc. One for the bottom drawer.

The Krugerrand Directory is available from International Gold Corporation, 30 St George Street, London, W1R 9FA. Tel. 01-499 9201.

Arranging Your Affairs is available from Publicity Department, Hambro Life Assurance, Hambro Life Centre, Station Road, Swindon.

Taking Gower's hints

WHILE MUCH of the City is busy throwing brickbats at Professor Gower for the contents of his controversial Review of Investor Protection, the men who run London's commodities market appear to have taken some of his words to heart.

In examining the commodities markets, Gower concluded that "there is potentially a dangerous situation developing here and that some action is needed." As a preliminary approach to tackling the problem he suggested a brokers' registration council should be set up.

While Gower conceded that the professional associations running the exchanges were reluctant to take up the cudgels on investors' behalf he argued that "they are the only bodies in the field and the only ones which have the power and knowledge." Such a self regulatory agency combined with "continued surveillance of the Bank of England" might be sufficient, he thought.

On cue, the chairman of the five exchanges—The London Commodity Exchange, London Metal Exchange, Grain and Feed Trade Association, London Gold Futures Market and London Financial Futures—have agreed to set up a committee to discuss the question of investor protection.

This committee has yet to meet. Anthony Rucker, executive director of London Commodity Exchange says "hopefully it will meet during July. It will be sooner rather than later." Top of the agenda will be a compensation fund, segregation of clients' accounts and a code of conduct.

So far it is too early to say in what direction the committee will move. It appears that a strong body of opinion feels that as only a small proportion of commodity dealers do business with private clients, only these companies should be involved in this attempt at self regulation.

At present, as Gower pointed out, there are brokers who are not members of the exchanges, sometimes because they have not been in business long enough to have a track record sufficient to satisfy the exchanges. But the public does not realise this. One tack the commodity brokers may adopt is to establish a trade association similar to that of the housebuilders which the commodity firms offering investment management services could run.

Rosemary Burr

PROPERTY

The new 'Little Chelsea' in a rival borough

BY JUNE FIELD

VICTORIAN terraced cottages in Charles Street, Barnes, are promoted as "in the Little Chelsea area" by local estate agents, and trendy journalist Jilly Cooper, Barnes Common resident, recently protested strongly to the "*Barnes Mortlake and Sheen Times*" about the spraying of weed killer at Barnes Old Cemetery which finished off a couple of larchtrees and ruined the flowers: "As a result the place looks like a desert and smells appalling," she wrote, asking the borough council if next year they could dispense with such massacres.

ONLY FIVE to six miles from Hyde Park Corner, Barnes has the amenities of a town with the atmosphere of the countryside once you get away from the traffic. There is fishing on the pond opposite the Sun Inn which advertises "Fine Home Cooked Food In The Bar," and in a newly opened tiny delicatessen in Church Road I bought freshly made *patés* and *quiches* plus a selection of French cheeses as good as any the more sophisticated shops have to offer.

The Parish Church of St. Mary was gutted by fire in June 1978, only the aisle and the medieval tower with sundial inscribed "Abide With Us For the Day is Far Spent," surviving. The rebuilding fund has already achieved nearly half of the £200,000 needed.

Barnes is part of the London Borough of Richmond upon Thames, which covers about 120 acres of Barnes Common, Hampton Court, and the parish of Mortlake, which includes not only East Sheen, but over 700 acres of Richmond Park, and has the Earl Spencer, father of the Princess of Wales, as Lord of the Manor and Keeper of the Court Rolls.

The full spread of the borough and its rural bounty is revealed in an excellent new guide book and borough street map, which are £1.45 the two including postage from Mrs Jenny Crosland, Press Officer, Town Clerk's Department, Municipal Offices, Twickenham TW1 3AA. (Cheques should be made payable to the London Borough of Richmond upon Thames.)

Taylor Dixon Porter, 73-75, Church Road, Barnes SW13 (01-741 1063) produce a property leaflet which includes a pretty little Regency town house for modernisation in The Terrace, Barnes (£62,000) and another elegantly modernised, £159,000. A Victorian terraced flat-fronted cottage with basic amenities in Station Road, Barnes, was £39,950, another in Archway Street was £47,000. In Charles Street the asking price is nearer £50,500. This agent will also provide a helpful listing of schools, independent, comprehensive, primary and nursery as well as adult colleges.

Rodney Scott, 82, Church Road, Barnes, were offering an Edwardian house with the ground floor let at £90 per month in Barnes village £55,000, and a spacious studio apartment near Barnes Common at £21,000.

The appropriateness of author Alan Gore's statement that "a good garden needs no gift wrapping," can be seen in the secluded unaffected grounds of Strawberry House, next to Barnes' Church, which Mr Gore and his brother Robert are selling by auction through Knight Frank and Rutley's Knightsbridge office on Wednesday September 22 at the Mayfair Hotel, Berkeley Street, W1 (Alan Gore, Anglo-Irish but born in Suffolk, specialised in kitchen design as a partner in the architectural firm of Gore, Gibberd and Saunders, as well as writing with Lawrence Fleming *The English Garden*.)

The delightful Arcadian garden of the charming Queen Anne house with its 1911 additions, has a magnificent giant copper beech of the same age as the building, informal daisy-splashed grassy verges to the sweeping drive, climbing roses, strawberry beds, and flower pots at the porticoed front door. And there is quite a story to the five-bedroomed, three-bathroomed property with its two self-contained apartments which was originally the rectory, lived in over the years by 17 of Barnes' 25 rectors all distinguished characters.

Francis Hare, a wealthy but ill-tempered cleric who took up the living in 1717, reconstructed the simple building, and had some of the trees cut down nearby "for towards the repairing and rebuilding of the parsonage house." (He was said to have been denied the archbishopric of Canterbury because of his sour disposition.) Between 1758 and 1768 came Ferdinando Warner who wrote books and, according to John Whale in *One Church, One Lord* (SCM Press 1979), a fascinating dissertation on the lives of all the rectors, "drank two or three pints of whey every dinner time, ate only one dish of 'animal food' in a day and confined himself in the same period to three glasses of wine at most," a regimen which helped him combat gout.

Then there was John Ellerton, author of some 80 hymns, including the well-known "The day thou gavest, Lord, is ended"; and the last two incumbents—Patrick Dott, who never overcame the problem of the "endless varying floor levels" of the house, and Robert Curwen, who found "its interior arrangement extraordinarily inconvenient and old-fashioned, and lacking in all the modern improvements which make domestic life possible nowadays."

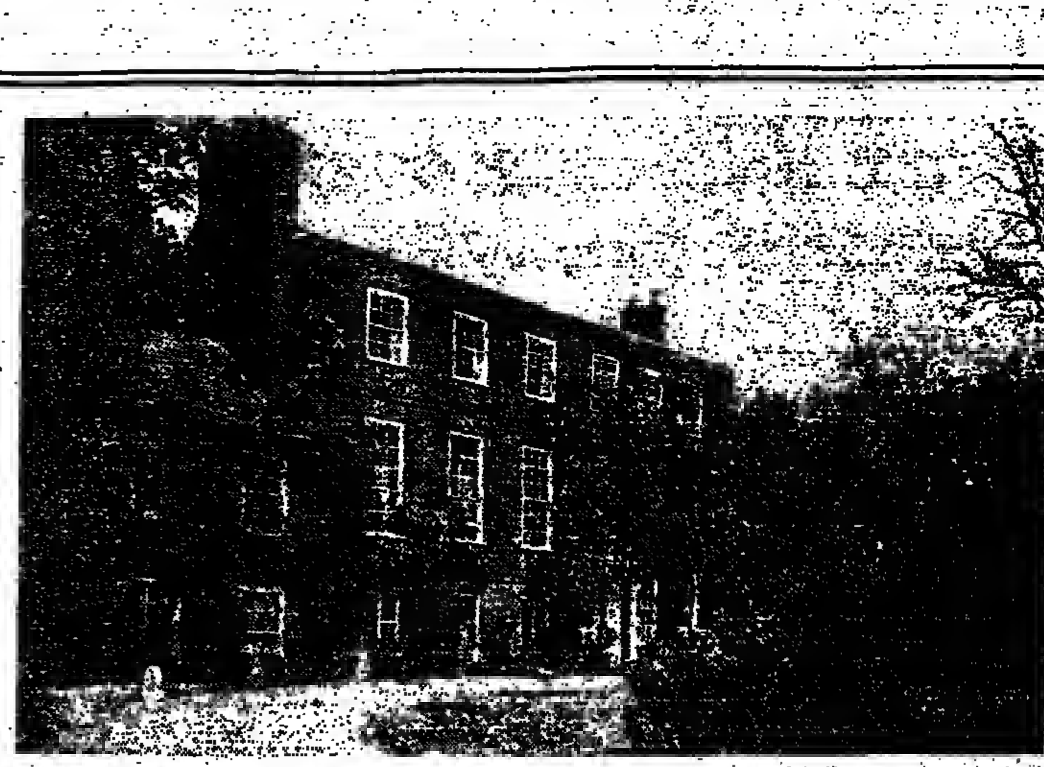
Rejuvenation work began in Curwen's time but stopped in 1939 before it was completed. In November 1950 the rectory was bought by the Gore family who restored it to its present form, naming it Strawberry House. Pevsner's *Surrey* draws attention to the added second floor (the sash windows at the top are a row of panes less), and the parapet, briefly commending it as having "a plain exterior, but a good staircase."

No definite price has been fixed for the property. "It is very difficult to even establish a reserve for such a unique place so full of history, and which is truly a country house within easy reach of London," observes Mr Michael Crosthwaite of Knight Frank and Rutley. "But the house can be sold before auction, and the sort of money may well be over £350,000." (Brochure Mr Crosthwaite, Knight Frank and Rutley, 152 Sloane Street, London SW1).

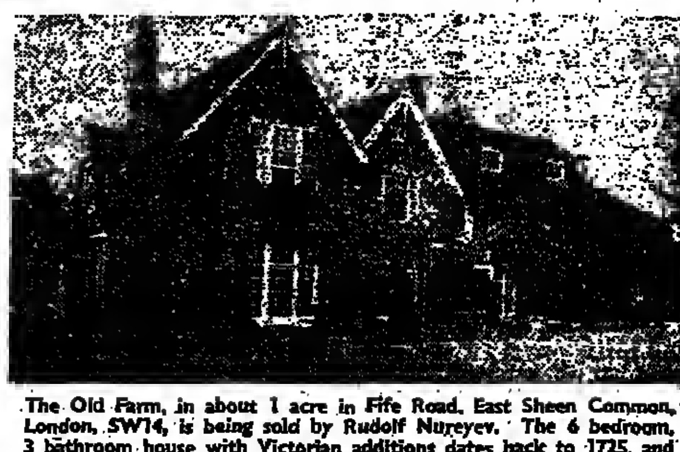
KFR's Knightsbridge office, together with Mistral, Blenheim House, Burnsall Street, SW3, is also handling 3 The Wardrobe, Old Palace Yard, Richmond Green, an intriguing Grade 1 listed property incorporating some of the remaining features of Henry VIII's Richmond Palace. In excess of £250,000 is being asked for the 53-year Crown lease of the four bedroom, two bathroom house in a pretty walled garden with a climbing wisteria and several Japanese flowering cherries.

Nearby is Trumpeter's Lodge, the equally evocative west wing of Trumpeter's House, also part of the old palace with Queen Elizabeth I's beloved orchard. Restored by architect Mr Bernard Brown, the accommodation includes three bedrooms and two bathrooms, plus garage with apartment above. It did not sell at auction last October, and £200,000 is now being asked for the 73-year Crown lease. Details Mr Ian Homersham, John D. Wood, 162 Kesington Church Street, W8.

In the SW14 area, The Old Farm House, in about an acre on East Sheen Common, a six bedroom, three bathroom 18th century house with Victorian additions is being sold on a price guide of £375,000 by ballet start Rudolph Nureyev through Mr Tim Edwards, Rutter and Rutter, 351 Fulham Palace Road, London, SW6. Another period offering is Leyden House a listed Grade II property c 1550, with views over the River Thames at Mortlake, with six bedrooms, three bathrooms, kitchen with a dumb waiter which may have originally been a Priest's Hole, swimming pool and large protected cedar tree. Brochure from Mr Roland Earland, Sturgis, 135 Church Road, Barnes, SW13 (01-748 8483).



Strawberry House, former Queen Anne rectory in just under an acre of secluded garden in Church Road, Barnes, London, SW13, has a galleried entrance hall, 4 living rooms, library, 5 bedrooms, 3 bathrooms, two self-contained 2 bedroom apartments and 2 garages. Auction brochure from Richard Crosthwaite, Knight Frank and Rutley, 152 Sloane Street, London, SW1 (01-730 8771).



The Old Farm, in about 1 acre in Fife Road, East Sheen Common, London, SW14, is being sold by Rudolf Nureyev. The 6 bedroom, 3 bathroom house with Victorian additions dates back to 1725, and overlooks Richmond Park. Tim Edwards, Rutter and Rutter, 351 Fulham Palace Road, London SW6 (01-731 3264) is quoting a price guide of £375,000.

Grade I listed property, 3 The Wardrobe, Old Palace Yard, Richmond Green, incorporates some of Henry VIII's Richmond Palace. In excess of £250,000 is being asked for the 53-year Crown lease of the 4 bedroom, 2 bathroom house in its pretty walled garden. Details Timothy Simond, Mistral, Blenheim House, Burnsall Street, London SW3 (01-351 3131), or Knight Frank & Rutley, 152 Sloane Street, SW1

TRAVEL

Back to the Arnhem front

BY SYLVIE NICKELS

EARLY IN MAY we had a spot of bother with the car in Holland. The foreman of a garage in Arnhem spent some time diagnosing the problem, decided we would get home without difficulty (we did) and looked thoughtful when we asked for the bill. "Forty years ago, I looked up at the sky," he said. "There were Tommies to the left and Tommies to the right: everywhere there were Tommies. There is no bill."

The Dutch have long memories indeed. It was May 4 and all the flags were flying at half-mast. That evening we went to the beautiful cemetery at nearby Oosterbeek where small groups of Britons of the appropriate vintage wandered between the neat rows of graves, reminiscing quietly. Someone had scrawled on a card alongside the flowers on the memorial: "In memory of HMS Sheffield — to the dead."

By next morning, Liberation Day, the flags were at full mast again and the Britons were in the excellent Airborne Museum at Oosterbeek, devoted to Operation Market-Garden, the largest airborne operation in history for all its tragic outcome, and more particularly to the Battle of Arnhem that followed. My own memories of the battle are a confusion of newspaper maps and school exams; but by the end of our visit I understood much better why it has not been forgotten.

Battle apart, Arnhem is an excellent gateway to a very rewarding and rather overlooked (by the British) part of Holland. The city's hideous scars of war have long since been concealed and it is a pleasant lively place, with attractive shopping areas (including cheese shops to dream about), quite a humming night life, and walks along the Rhine whose present also makes this a launching point for cruises up to Basle. In the wooded outskirts of town, the Open Air Museum brings together typical old houses from all over the country. It's a sort of "instant Holland" and one of the best of its kind I have seen.

To the north of Arnhem is wild Veluwe. Part of it is the Hoge Veluwe National Park whose entrance fee of about £1.50 per car and per person gives access to 15,000 acres of woods, grass steppes, moors, swamps, and fen lakes. Not least it gives free entrance to the Kröller Müller National Museum whose collections of Impressionists and moderns (above all, 272 works by Van Gogh) make it one of the world's great art galleries. Your best bet is to forget the car and make use of another of the park's special offers: a fleet of bicycles, available free.

The local and regional VVVs (tourist offices) are not only great sources of information, but arrange their own sightseeing or special interest tours. The ubiquitous bicycle features prominently in these (of which more in a few weeks' time), but others include riding, water sports, boating, walking and, for specialist groups, everything from football to pig farming. Or simply they can give lots of good advice.

It was a VVV recommendation in Sneek that sent us off to Leeuwarden to follow the Terpenroute through north Friesland. *Terpen* we discovered were artificial mounds built in the dim mists of history to which the Frisians retreated whenever there was a threat from the frequently encroaching sea. In time the mounds became the nucleus of small communities; the highest of them is at Hoogebeintum, all of 40 feet above sea level.

Many are dominated by an ancient church and now they also provide the theme for a charming tourist route through the unspoilt Friesland farmlands—and, equally important, past any number of the extraordinarily beautiful Friesland farms, their great brick barns crouching under steep thatched roofs and usually attached by a narrow "neck" to living quarters that range from the simple to the positively manorial in style. No buildings I have seen seem to have more right to be there. The route also took us through the delightful little town of Dokkum, complete with its own mound and, of course, a canal without which no Dutch landscape seems quite whole.

The Terpenroute is one of nearly two score tourist circuits that pepper the map of Holland.

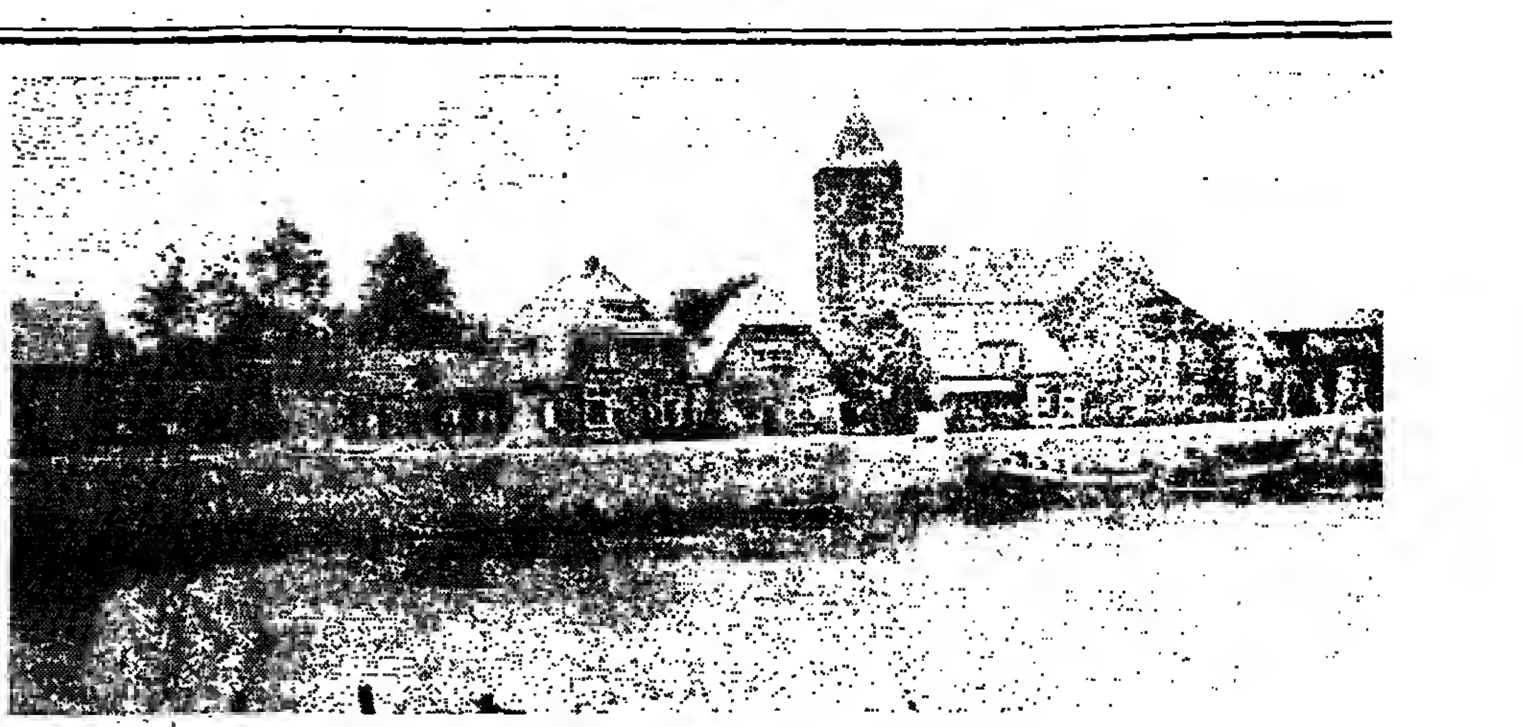
They have been worked out by the ANWB (the Dutch motoring organisation) who publish a leaflet on each, on sale at VVV offices; though the text is in Dutch, the map that goes with it is infallible as are the road-signs marking the route. This is more than could be said of our road map of Holland (by Mairl which forgot to mention that the thin white threads described as "by-ways" were sometimes inaccessible to motorised traffic.

Otherwise it served us well on a meandering route through the water-laced countryside of Friesland, Overijssel and Gelderland, three provinces which, between them, offer a variety undreamt of by most visitors to Holland's more popular western circuits. The towns almost without exception are attractive.

Sloten, Friesland's smallest, was a little gem; Zwolle in Overijssel looked splendid within its ramparts, but on a sunny Sunday, and with time against us, we could find nowhere to park. This was largely because we had allowed ourselves to be led astray by the lovely lake area around Giethoorn to the north of it.

Giethoorn itself is only accessible by boat, but we burrowed down tiny roads in the vicinity which brought us into hamlets like De Belt-Schutsloot where flat-bottomed boats were piled high with reeds on narrow waterways and, over the lakes themselves, black terns wheeled and plunged. It has the magic of a countryside where things don't change much — and where, above all, the welcome is never in doubt.

● Netherlands National Tourist Office, Savory and Moore House, 2nd floor, 143 New Bond Street, London W1Y 9FD; Arnhem Region Tourist Office, Stationsplein 45, Arnhem; Friesland Tourist Office, Stationsplein 1, Leeuwarden.



Overijssel: Village along a canal

RACING

DOMINIC WIGAN

JALMOOD RETURNS

JALMOOD, whose apparently good win and place prospects in the Epsom Derby went in one fell swoop when he pulled a groin muscle on the descent to Tattenham Corner, looks all set for some minor compensation at Ayr today.

The handsome Blushing Groom bay owned by that enthusiastic supporter of British racing, the United Arab Emirates' Minister of Defence, Sheikh Mohammed, need only reproduce the form he showed in the Highland Spring Derby trial at Lingfield in order to dispose of the four rivals facing him.

Jalmood, the two and a half length conqueror of the subsequent Queen Anne Stakes winner, Mr Fluorocarbon, in the Lingfield race, is a tough and game colt who will not be averse to trying to win today's prize from the front should Steve Cauthen adopt front running tactics.

Irrespective of whether he is held up or asked to go and win his race from some way out Jalmood should have a fair bit in hand from his three market rivals in Palace Gold, Norwick and Rocamadour. Indeed, if a threat is to materialise I expect it to come from the outsider of the party, Crossways.

A disappointment in the Queen Anne Stakes last time out, where he dropped steadily behind in the final three furlongs after showing good speed with the leaders, Silky's Bay Son had previously shown himself in a far more impressive light when brushing aside Meeka Gold in Newcastle's XYZ Handicap. It seems probable that today's mile and three furlongs will see him at maximum advantage.

AYR

1.45—Moon Jester
2.15—John Feather
2.45—Jalmood**

NEWBURY

2.00—Whispered Wishes
3.00—Step Dance
3.30—Sancta
4.30—Scrumptious

NEWMARKET

1.30—Jorge Miguel
2.00—Sharpish
3.00—Cordite Spear***
4.30—Sulzano*

LEGAL NOTICES

No. 003283 of 1982
In the HIGH COURT OF JUSTICE
Chancery Division
IN THE MATTER OF
COLGATE HOLDINGS (U.K.) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that a *Petition was on the 2nd July 1982* presented to her Majesty's High Court of Justice for the confirmation of the reduction of the Share Premium Account of the above-named Company from £18,375,000 to £12,086,250 by repaying capital which is in excess of the wants of the said Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Nourse at the Royal Courts of Justice, Strand, London, on Monday the 26th day of July 1982.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Share Premium Account should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 13th day of July 1982.
SLAUGHTER AND MAY,
of 35 Basinghall Street,
London EC2V 5DB.
Solicitors for the said Company.

BOOKS

Victorian who found a guru

BY PETER QUENNELL

Laurence Oliphant: 1829-1888
by Anne Taylor. Oxford, £12.50. 306 pages.

The last modern portrait of this extremely accomplished man—best-selling novelist, intrepid traveller and author of travel books, war correspondent, hard-headed man of the world, and impassioned devotee of a bizarre religious creed—appeared in 1956. In 1891 when Rosamond Oliphant (no relation to her subject) published her controversial memoir, such was Oliphant's posthumous renown that it had "an immediate and huge success." Today his name probably means little to the average educated reader; and none of his list of 19 solid books, beginning with *Journey to Katmandu*, and ending, in the year of his death, with *Scientific Religion*, seems ever to have been reprinted.

The only son of a distinguished soldier and colonial governor, Oliphant spent much of his youth travelling around the world. Inheriting his parents' Evangelical beliefs, he worked among London's poor, and did his best, he said, to become "a 'friend of the people.'" Then he tried authorship. At the age of 23, lacking a theme, he made an adventurous tour of Russia: down the Volga, through the country of the Don Cossacks, to the Russian shores of the Black Sea. His account of the journey brought him fame and financial rewards; and in 1854 he accepted Lord Elgin's invitation to accompany him to Washington on an important diplomatic errand. There he attended parties and paid decorous court to Washingtonian debutantes; but he got into the habit, he confessed, of frequenting prostitutes—a habit which provoked a life-long sense of guilt, arousing his strong devotional instincts.

Visiting the Far East, where he observed the Chinese and Japanese Empires, the sexual appetites he deplored again tormented him. He was ready, he exclaimed, "to commit suicide for a woman, even a Chinese one with bound feet." Yet he still hankered after the guidance of some powerful religious system that "would invade . . . a man's whole nature."

This support he did not finally acquire until the middle of the century, when he first succumbed to the fascinating, yet mischievous influence of an Anglo-American guru called Thomas Lake Harris: the kind of magnetic charlatan modern civilisation periodically throws up, whose creed was a strange mish-mash of Christianity, Swedenborgianism, spiritualism, and Utopian socialism.

Oliphant's career of worldly success, however, was not immediately cut short. Besides plunging into European diplomacy as the confidential agent of the British Foreign Office, he revisited the East, and was nearly assassinated by a Japanese fanatic. He took his seat in the House of Commons, wrote a "brilliant" novel, *Piccadilly*—an exposé of the more venal side of London society—and, as the privileged correspondent of The Times, reported the Franco-Prussian War.

But in 1867 he had already reached what he imagined to be a definite "parting of the ways"; he had fallen under Harris's insidious spell and accepted his authority. The guru, he declared,

"was better able to bully me than any man I had ever met. I had to be broken to and Harris was the chosen instrument."

The story of Oliphant's spiritual subjugation makes extraordinary reading. He was not the mystagogue's only English capture. John Ruskin's confidante, Georgiana Cowper-Temple, and her husband William, were themselves excited and impressed. But whereas they preferred the safety of Broadlands, their dignified Hampshire country house, Oliphant bravely crossed the Atlantic to join the so-called Brotherhood of the New Life. Over it Harris, flanked by his celestial consort "The Lily Queen," sternly—sometimes pitilessly—ruled.

Among his brethren, who included a group of responsive though slightly bewildered Japanese, Oliphant was allotted the most menial tasks, cleaning the stables and carting loads of manure. He submitted gladly; and did not begrudge his tyrant, known to the community as "Father Faithful," either the domestic comforts that surrounded Harris, or the attentions of a "Lily Queen;" while his disciples were forbidden any kind of sexual solace. Nor was Oliphant disturbed that his elderly mother (Lady Oliphant had insisted on accompanying him) should be set to washing handkerchiefs.

She remained with the Brotherhood when her son temporarily returned home. During his absence he married Alice de Strange, a beautiful 26-year-old heiress whom Robert Browning called "a flower of womanhood;" and when he returned, Alice, too, was drawn into the prophets's clutches and exposed to the same physical privations. Oliphant was certainly excluded from her bed. But the story (Mrs. Taylor writes) that she was "regularly buried up to the neck in earth to ponder the transience of beauty was, one hopes, apocryphal . . ." Yet, oddly enough, Alice Oliphant flourished: she liked housework and raising poultry; and it amused her to listen to the gossip of her unpretentious neighbours, and tell them how, until she had left England, she had never learned to dress herself.

When Oliphant at last broke with Harris, the cause of their dispute was money: the prophet had appropriated a considerable share of his rich disciple's fortune and refused to release the funds which Oliphant—all his life a speculator, and imaginative entrepreneur—needed in finance a new project. Many of his schemes concerned the Middle East; and there, once they had shaken off Harris, he and Alice eventually settled down, planning a railway and organising a resettlement of European Jews. She encouraged his religious enthusiasm, but would appear to have given it a gentler, less neurotic colouring.

Mrs Taylor's well-documented biography is the most interesting portrait of a famous Victorian that I have read for some time. Oliphant's personal character was a pattern of striking contrasts, a queer blend of inherited worldliness and obsessive, other-worldly passions. Since his childhood, Mrs Taylor suggests, he had "struggled to reconcile a highly sexed nature with the taboos imposed . . . by his Evangelical upbringing"; and the issue was "hopelessly confused in his mind with religion and morality": for "early in his life he wrote that . . . a preoccupation with things spiritual seemed to arouse him sexually." Thus, although by means of religion he sought to escape from lust, religion itself tended to become a source of erotic stimulation. The resultant conflict was, alas, never resolved. Yet at his worst moments, he retained the "sense of the humorous" that invariably distinguished him. Even among the Brotherhood of the New Life, he was still the London wit whose genial company the Prince of Wales enjoyed.

Laurence Oliphant aged 25—a book telling the extraordinary life-story of this many-sided Victorian is reviewed today

Heady monetary era

BY JONATHAN CARR

The Making of the European Monetary System
by Peter Ludlow. Butterworth, £22.00. 319 pages.

The ideal chronicler of the birth of the European Monetary System (EMS) would need to combine the technical skill of a foreign exchange dealer, the perspective of an historian—and the poisoned wit of Dean Swift. Until this paragon comes along, Mr Peter Ludlow will fill the gap nicely. His book deserves a much bigger sale than thick volumes of this kind normally achieve.

Mr Ludlow might easily have fallen between two stools—those of irritating monetary specialists by skating over technical issues, while boring non-specialists with mystifying chapters about "parity grids" and "divergence indicators." He therefore deserves a lot of credit for finding something close to the ideal balance—a book in which former European heads of government will one day be able to refer, to recall what they were doing and why in those heady days of 1978.

The economic and currency background is here all right—the dismal history of efforts to achieve European Monetary Union, the growing doubts about "floating," the dollar crisis of 1977, and so on. But much of this ground has been covered quite thoroughly already (for example, in Mr Rainer Hellmann's book *Das Europäische Währungssystem* published by Nomos Verlag of West Germany).

Where Mr Ludlow scores is in giving us much of the political and personal drama of the EMS as well. Not for nothing did the EMS preparations in and around the European Council (summit meetings) form the basis of at least a couple of gripping reconstructions on British television. There were those baffling talks among European leaders at a castle in Denmark (baffling, as it emerges, for several of the participants as well as the Press). There was that alleged Franco-German axis between "Dear Helmut" (Chancellor Helmut Schmidt) and "Cher Valery" (President Valery Giscard D'Estaing). There was worried Jim Callaghan, a hostile British treasury—and an English President of the European Commission, who was laughed to scorn when he talked openly about monetary union—then vindicated only a few months later.

Mr Ludlow puts a lot of this across because he has not confined himself to sifting through documents but has gone and talked to many of those directly involved. In each case the national political background against which the EMS decisions were taken is given with skill—and becoming modesty. One's heart warms to a writer who can confide that "there are obvious dangers in a foreign observer trying to interpret the objectives of a senior Italian politician." There speaks a man who knows enough to be cautious!

Are there no criticisms then? Just a few. One or two names and titles emerge incorrectly and will no doubt be cleared up in the later editions the book deserves. And Mr Ludlow underplays a bit the rivalry in the EMS story between France and Germany. True, on page 200 Mr Ludlow quotes M Giscard's remarks about "it would not be a good idea for Europe" to be dominated by one country (that is Germany). But the French desire to match German economic performance for political reasons was surely a key stimulus for M Giscard d'Estaing to seek the discipline of the EMS. It deserved to be given more weight by Mr Ludlow from the start.

Some readers may also be disappointed that Mr Ludlow stops his detailed narrative with the formal start of the EMS in March, 1979—though he does bring the tale up to date with a brief chapter of "conclusions." Perhaps we can therefore look forward to a sequel called "The Un-making of the EMS" in which Mr Ludlow goes into the sordid detail of the Franco-German dispute over Agriculture, the failure to create a European Monetary Fund, the change of government in France and the continuing scepticism of the British. Sad—but then as Helmut Schmidt wryly observed on the sidelines of a Franco-German summit meeting in Aachen in 1978 "Nothing in this world is wholly without risk—not even love, let alone monetary policy."

"Ranji" (Kumar Shri Ranjitsinhji)—is one of a series of caricatures by "Spy" reissued in Russell March's "The Cricketers of Vanity Fair" (Webb & Bower, £9.95)

Senior member

BY MALCOLM RUTHERFORD

Father of the House: Fifty Years in Politics
by John Parker. Routledge, Kegan Paul, £10.50. 203 pages.

"Father of the House" is the title given to the Member of Parliament who has been there longer than anyone else without a break. So far this century the record is held by Lloyd George, who sat continuously from 1890 to 1944. Winston Churchill sat for 60 years altogether, but does not qualify for the record because his parliamentary stay was twice interrupted. By these standards, John Parker is a comparative stripling, having been sitting only since 1935.

His Ministerial career was brief, being confined to Under-Secretary for the Dominions, 1945-46. It is claimed here—with Harold Wilson called in support—that Attlee sacked him on the intervention of Smuts because Parker allowed the capital punishment of a white man in Swaziland to go ahead. Parker was against the death penalty but also in favour of racial equality and blacks were executed quite often, so he advised that the law in Swaziland should take its course. He returned to the back benches.

His book is thoroughly disorganised and printed in a type-size so small that the publishers should be ashamed. But it is also full of some lovely vignettes. Outstanding is the chapter on Oxford Politics in the late 1920s. One forgets how many people with strong views have changed with time. A. L. Rowse, the historian and literary scholar, was then a leading Marxist. Frank Pakenham, later Lord Longford, was an officer of the Conservative Association. J. E. Meade, now the Professor Meade enjoying a new lease of life in giving economic advice to the Social Democrats, was a supporter of social credit, being reduced to tears because of criticism of his papers by Beatrice Webb.

Churchill appeared for a Union debate and told undergraduates afterwards why he had become converted to women's suffrage:

"The important thing for the Conservatives is that they should keep on doing things. It doesn't matter what. If they do that they will remain in power for my lifetime. After that, the deluge can come."

Parker himself had wanted to become a Tory MP in his youth, yet shifted early to the Labour Party. Indeed the remarkable fact to emerge from this book as from others on the period, is how the Party was the natural home for relatively well-off, well-educated intellectuals. Contact with the trades unions was remote. There was a Labour elite which survived several decades. It was the Puritan tradition.

Father of the House includes very few direct reflections on these matters, only footnotes. The lay reader may find some of the conclusions surprising. For example:

"During the whole period between 1935 and 1980 there was a strong feeling between the two sides of the House only erupted over the Spanish Civil War and the Suez Crisis."

But if you watch from the Gallery, that is probably about right.

The same point is made anecdotally. In 1970 a newly-elected Tory MP, Patrick Cormack, took his seat facing the Labour benches. "It's good," he said, "to have a look at the enemy." His neighbour, Boyd Carpenter, replied: "Those on the other side of the House are our political opponents; your enemies you will find are on this side of the House."

Anyone who appreciates that is well on the way to understanding British politics.

CHESS

LEONARD BARDEN

TWO newly published ranking lists illustrate the growing pressure on world champion Anatoly Karpov's status from his 19-year-old rival Gary Kasparov. Domestic USSR ratings give Karpov 2,692 points, Kasparov 2,654, with the next Russian Polugaevsky back at 2,628. Then the July FIDE list, issued as an official index by the International Chess Federation, shows Karpov with 2,700 points (a drop of 20 since January) and Kasparov 2,675 (a gain of 35). Korchnoi has lost another 10 points and is a rather distant third with 2,635, while the top three British grandmasters are Speelman 2,575, Miles and Nunn 2,565 each.

The challenge from Karpov's youthful rival is not yet formal since under FIDE rules Kasparov has to fight his way through the qualifying hurdles of the interzonal tournament and the candidates matches. Kasparov has been allocated in the Moscow interzonal in September where he will naturally start a hot favourite. But the qualifying system gives a huge advantage to the reigning champion. At best he can hope his most dangerous rival will be eliminated through temporary lack of form; while at worst the challenger has to expend a great amount of nervous and intellectual energy before he reaches Karpov.

Meanwhile, Kasparov can try to increase the pressure on a man whose performances during 1982 have looked somewhat laboured. It seems odds on that in December Karpov will lose the annual chess Oscar for player of the year, an honour he greatly prizes; while Kasparov's new rating puts him within reach of another target. A strong performance in the Moscow interzonal and other events could make him No 1 in the January 1983 FIDE world rankings. The situation will be novel for Karpov since it is the first time in his career that he has been seriously chased by a rival of a much younger generation.

When the battle for the world crown was between Karpov, aged around 30, and Korchnoi, around 50, it was always clear that the older man would eventually lose impetus. But now Karpov, at 31, is a dozen years Kasparov's senior. As champion since 1975, he is burdened by the weight and duration of his office which created ennui in the mind of more than one previous world title holder.

Karpov's own extraordinary record of tournament first prizes could prove a psychological handicap from here on; when you have been continually in front for years on end, any slackening of effort can begin deterioration.

At Turin last month, Karpov faced his wavering form and escaped a serious setback. A slow-run race enabled him to overcome his early loss to Ljubojevic. There were so many draws that Karpov shared first prize with only three wins in 12 games, and one of those was by default against the sick Huhner. But Karpov's revenge against Ljubojevic again showed his ability to punish unsound, over-optimistic chess—and that could be a real asset when he meets Kasparov's occasionally excessive youthful exuberance.

White: A. Karpov (USSR). Black: L. Ljubojevic (Yugoslavia). Opening: Sicilian Defence (Turin 1982).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, N-KB3; 4 N-B3, PxP; 5 NxP, P-QR3; 6 B-K2, P-K3; 7 P-B4, Q-B2; 8 O-O, P-QN4?

Craig Pritchett's Batsford monograph on this opening condemns the text as premature. B-K2 is correct.

9 B-B3, B-N2; 10 P-K5, PxP; 11 PxP, KN-Q2; 12 B-B4, P-N5 (still B-K2 is safer); 13 N-K4, NxP; 14 R-K1!

14 . . . B-K2; 15 N-KN5, BxN; 16 KBxB, QxB; 17 BxN, O-O; 18 Q-N4, Q-K2.

Black's KNP is weak, and if 18 . . . B-R3; 19 NxP! wins.

19 Q-N3, R-QB1.

Stopping 20 B-Q6; if instead 19 . . . R-Q1; 20 P-KR4, B-R3; 21 B-B6.

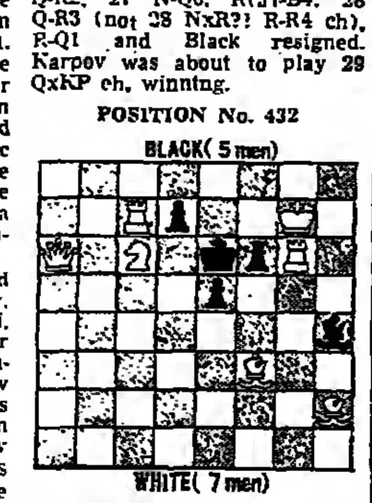
20 B-Q6, Q-Q2; 21 QR-Q1, P-B3.

Now 21 . . . B-R3 fails to 22 BxN, QRxB; 23 N-B5.

22 BxN, QRxB; 23 P-KR4! BxP (desperation, but again if B-R3; 24 N-B5!); 24 QxB, R-B5; 25 Q-N3, QR-QB1; 26 N-B5, Q-R2; 27 N-Q6, R(5)-B4; 28 Q-R3 (not 28 NxR?! R-R4 ch), R-Q1 and Black resigned. Karpov was about to play 29 QxKP ch, winning.

POSITION No. 432

BLACK (5 men)

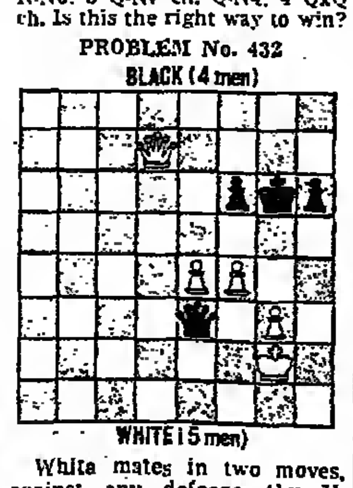


WHITE (7 men)

Hartston v Conquest. Are Young Masters 1982. White (to move) is a pawn up and can now force the exchange of queens by 1 P-B5 ch, K-R4; 2 Q-B7 ch, K-N5; 3 Q-N7 ch, Q-N4; 4 QxQ ch. Is this the right way to win?

PROBLEM No. 432

BLACK (4 men)



WHITE (5 men)

White mates in two moves, against any defence (by V. Rudenko)—a puzzle whose main difficulty is the variety of choice created by White's overwhelming force.

Solutions Page 14

BRIDGE

E. P. C. COTTER

THE METHOD of scoring at match-pointed pairs entails an approach entirely different to that employed by players at rubber bridge or teams-of-four. In *The Pairs Game* (Faber, £2.75), first published four years ago and now available in paperback, David Greenwood explains clearly and concisely the special technique demanded for pairs, and how it applies to bidding, declarer play, and defence.

Let us study the attack suggested for the declarer in this hand:

N
♠ Q J 5
♡ J 5 3 2
♢ A Q J 10 8
♣ 4

W
♠ 7 4
♡ K 10 8
♢ 7 6 5 2
♣ Q J 10 9

E
♠ 8 6 3
♡ A Q 4
♢ K 9 4
♣ 8 7 6 3

S
♠ A K 10 9 2
♡ 9 7 6
♢ 3
♣ A K 5 2

At a love score South deals and bids one spade. North says two diamonds, and raises his partner's rebid of two spades to four. The emphasis in declarer play, says the author, should be on making the maximum number of tricks in any specific contract. Only on rare occasions is it right to jeopardise the contract, but "sure trick" play will not bring in those extra match points. If a slight risk will increase the chances of collecting overtricks.

When West leads the club Queen, there are two possible lines of play. The first is to ruff two clubs with dummy's honours, returning to hand once with a trump, once with a diamond ruff, and surrender just three heart tricks. The second is to cross to the diamond Ace, return the Queen, and discard a heart if it is not covered. If West has the King, you revert to plan one, but the second line is preferable, because the possibility of making an overtrick depends upon the 50 per cent chance that East holds the diamond King.

As a matter of fact, the second line should be adopted not only in teams-of-four but at rubber bridge, since the risk entailed is so slight.

We turn to defence against a no trump contract:

N
♠ A Q 6
♡ K 10 9 8
♢ A 4 2
♣ 9 8 3

W
♠ J 10 8
♡ Q 5 3 2
♢ K 8 6
♣ A J

E
♠ 7 5 4 2
♡ 7 6
♢ 9 5
♣ Q 5 4 2

S
♠ K 9 3
♡ A 4
♢ Q 10 7 3
♣ K 10 7 6

South deals at love all and bids one no trump (12-14 points). North tries a Stayman two clubs, and goes three no trumps after South's response of two diamonds has denied a four-card major.

When you have the option of defending passively to prevent overtricks, or "getting busy" to defeat the contract, the advice is to choose the former course. In the long run it is passive defence which wins the match points.

In the hand above, sitting West, you hold a passive spade, the Queen wins. East starting a peter to show four cards. The nine of clubs runs to your Knave, and you consider a diamond switch. But wait. South must hold spade King and heart Ace. If your partner has the diamond Queen, the declarer has taken a first round finesse in clubs, holding King-Queen, ten in the suit—most unlikely. Then South must have the diamond Queen, and a switch to that suit would be fatal. You continue with another spade. It might be wise to cash the club Ace to avoid a possible endplay.

If you cash the club Ace and lead a third spade, you will defeat the contract, although you originally started with the idea of conceding an overtrick.

'Owzat!

BY TREVOR BAILEY

In "Tich" Freeman and the Decline of the Leg-Break Bowler (Allen and Unwin, £7.95, 144 pages) David Lemon traces the cricketing life of the most prolific wicket-taker in first-class cricket. Between 1928-35 Tich averaged a remarkable 260 per season, but, in an era when legspin was considered almost an essential ingredient for any Test team, especially overseas, he was only capped on 12 occasions. It would have been interesting to hear more reasons why the little man was so very successful and the part played by his lack of inches.

The Fast Men (Allen and Unwin, £7.95, 177 pages) by David Frith is a good, interesting and detailed history of pace bowlers, which has been brought right up to date to include newcomers like Alderman, Alloul and Kapil Dev. This book, covering 200 years about the most exciting species in the game, does them justice.

Finally, two unghosted books by current players: Slices of Cricket by Peter Roebuck (Allen and Unwin, £7.95, 160 pages) is essentially a collection of essays about cricket and cricketers, which are amusing and sometimes very funny. Roebuck is particularly good on his Somerset colleagues.

Although the standard of the cricket in the 1981 Test series was not high—it could be argued that it was the weakest batting side Australia have ever sent to this country, while their attack in the Oval Test only contained two international class bowlers—the 1981 fight for the Ashes contained so much drama that it caught the imagination of the whole nation, not just the cricket lovers. In Phoenix From the Ashes (Hodder and Stoughton, £7.95, 160 pages) the architect, Mike Brearley, tells the remarkable story in a very readable, splendidly illustrated book.

Brearley did not take over the England captaincy until Ian Botham, the man mainly responsible for one of cricket's greatest comebacks, had resigned after collecting a "pair" at Lord's, which makes the events all the more remarkable.

Fiction

Swiss roles

BY ADAM MARS-JONES

I'm Not Stiller
by Max Frisch, translated by Michael Bullock. Methuen, £8.95. 384 pages.

Talking To Strangers
by Geraldine Halls. Constable, £6.95. 216 pages.

Filthy Rich
by Keith Colquhoun. John Murray, £7.50. 174 pages.

A Joke Goes A Long Way In The Country
by Alannah Hopkin. Hamish Hamilton, £7.95. 147 pages.

Crime Wave
by John Wynne. John Calder, £6.95. 203 pages.

As if in answer to a reviewer's prayer, this week's novels cluster round a single theme: geography as identity.

The hero of Max Frisch's *I'm Not Stiller* (now reissued in an unabridged version) is assumed by the residents of a Swiss town to be Anatol Stiller, sculptor, who has been missing for six years. He doesn't claim to he anyone else, merely denies that he is Stiller. He is imprisoned and investigated, and his prison notebooks make up most of the novel.

So far, so existential: *I'm Not Stiller* has much in common with other European novels of its decade (the 1950s). But it also has a particular concern with Swissness (an awkward word and an insubstantial concept).

Switzerland for Not-Stiller is a country which might as well be totalitarian for all the freedom its citizens claim for themselves. Switzerland is a country defined only by negatives: merely a place that doesn't want to be Russia.

Not-Stiller's solution is to become a one-man Switzerland himself, aggressively maintaining his neutrality. He gains a voice by refusing an identity wished on him by others, and he acquires a paradoxical authority in his denunciations of his country, and of a world in which all experience has become second-hand.

But he is also lacerating himself, and it takes him all of this long book to grant himself forgiveness. In his resumed relationship with his wife he seeks to create an identity which is more than a matter of negatives, and though he fails, this impressive book is not soured by his failure.

The failed relationship in Geraldine Halls's *Talking To Strangers* disintegrates somewhere between Adelaide and Tokyo. Ebba Powell, a glamorous Australian in her forties, kills time in Japan waiting for her English husband, mysteriously delayed, to join her.

Australia and Japan are stereotypically opposites, the countries of maximum and minimum extroversion, and one of the pleasures of the book is its description of Japan as seen by a susceptible Australian. But Ebba's marriage is also based on an attraction of opposites, and her attempts to reconcile being an individual with being half of a couple never seem to be played out against an exotic backdrop, but to arise from everything she sees. Plot and setting mesh beautifully, and the novel's tone can accommodate much seriousness and disillusion without losing its wit or its eye for detail.

Michael Hawkins, the schoolboy hero of Keith Colquhoun's *Filthy Rich*, is also in limbo overseas, waiting in Hong Kong for his father to make contact. Gradually it emerges that Hawkins Senior is a policeman facing corruption charges. He tells his son little or nothing, and Michael has to look after himself. He keeps a dog, and also a Chinese mistress supplied by his father; he treats the two even-handedly, without sentiment.

Hong Kong is a place where the ladies leave the gentlemen to their port after dinner, even if they have to squeeze into a tiny bedroom to do so. Hong Kong may look as though it was made in Hong Kong, but it was made in Britain as far as *Filthy Rich* is concerned.

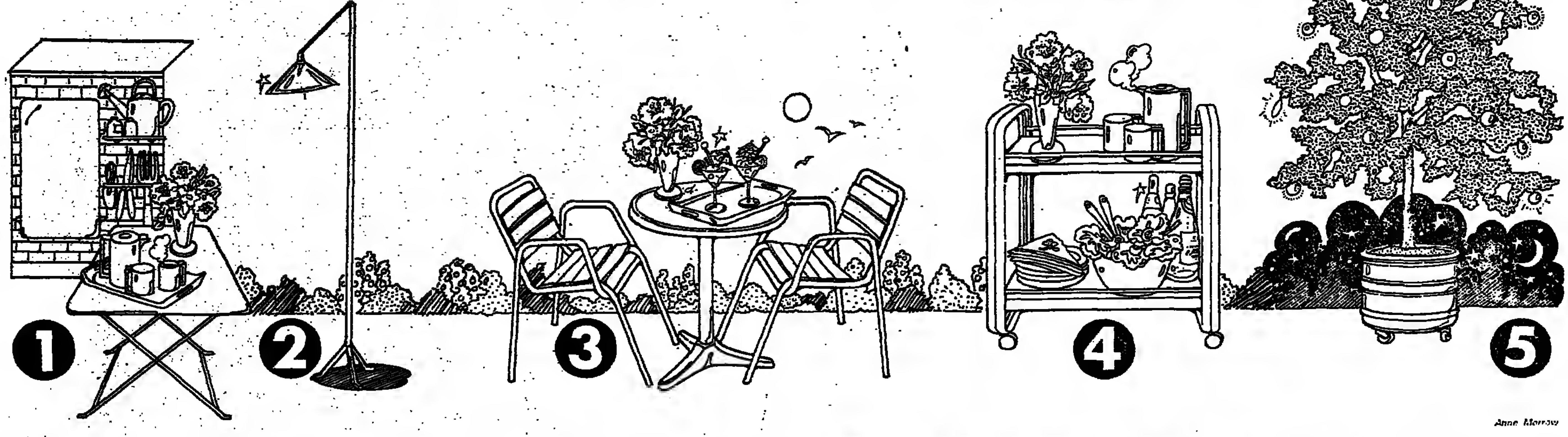
Michael's development in this dead-end of Empire is well dramatised until the end of the book, when he starts sending back to England the money his father has extorted. He pays off his mistress and he kills his dog, before returning to England, school and exams. This final flurry of amorality upsets the balance and spoils the rhythm of an otherwise beguiling book.

Alannah Hopkin's *A Joke Goes A Long Way in the Country* never gets as far as establishing a rhythm or a balance; it moves jerkily from London to Ireland and back again, devotedly following a heroine whose charm, on which both she and the book heavily depend, somehow fails to show up.

No charm is claimed for John Wynne's *Crime Wave*, but even sordidness can fail to capture the imagination. This is loughguy New York writing, minus character, minus plot, minus sense of place. Sample sentence: "He locked her nose in a vice with his hot feet and they slept." Goodnight.

by Lucia van der Post

High-Tech moves outdoors



Anne Morrow

HIGH-TECH hit the news in this country some time in the summer of 1979. Until then plenty of people, mostly architects and visually-orientated students, had been accustomed to improvising furniture for their own homes—using doors as table-tops, laboratory glassware for vases, milk crates for storage systems and so on — but it wasn't until the summer of 1979 that this approach was given a name and became a fully-launched style.

Though High-Tech has never taken off in a really big way, most of us still prefer to buy domestic furniture and lighting to furnish our houses, the influence of the High-Tech movement can be seen in many of the products currently on sale in furniture shops and department stores. The lighting departments have been the most influenced but there is also now a whole spate of beds with a distinctly hospital-like look to them, tables which have an artfully contrived industrial air, containers that seem to have strayed from the factory and so on.

Many manufacturers seem to be taking classic industrial products and applying a paint pot to them—there is a whole host of severe-looking factory lights that have been softened by colouring them in fondant pastels and very pretty and successful they are too. Cafeteria-type china and cutlery is appearing in the fashionable fondants and even the most functional and practical of everyday items like brooms and dusters are not immune from this jazzing-up craze.

Tommy Roberts and Paul Jones of Practical Styling have probably carried this approach to the most extreme lengths. In their shop at Centre Point, 16 St Giles High Street, London WC2 they present a wonderfully schizophrenic selection of the plainest of plain aluminium tables and chairs side by side with bright fluorescent pink typist's chairs. In another corner you may find lurking a utilitarian desk, of old-fashioned, well-tried design, stove-enamelled in the brightest of primary colours, while beside it may be rows and rows of sturdy, plain American diner crockery.

For anybody looking for a new look for the garden or patio living, Practical Styling is the place to go. It is in complete contrast to the gentle, romantic would-be Victorian mood that still holds sway in most garden furniture departments. Here you will find plain aluminium cafe tables and chairs—they are the success of the season, partly because of their price (see them sketched above centre) and partly because of the ease with which they transfer from outdoors to in. There are aluminium containers that were originally designed to hold baker's dough but that are now painted soft pastel pink.

There are small trowels and forks from America with brightly-coloured plastic handles (they won't be lost among the shrubbery) at £1.55 each. There are bundles of brooms and secateurs, saws and watering-cans, water-carriers and trugs—in all colours of the rainbow.

Though the colours are the most startling aspect of many of the products, don't be misled into thinking that this means that they are just for fun—nearly all of them are practical, strictly functional, made from the sturdy materials their purpose demands. If this new approach to the outdoor world appeals to you go and have a look at what Practical Styling has to offer. For those who don't live near London, Practical Styling offers to arrange carriage of everything it sells—just ring them on 01-240 3711. Sketched above is a selection of outdoor ideas from Practical Styling.

1

TYPICAL of the new sharp unromantic look to be seen about the garden is the *brightly-coloured* collapsible table. In metal painted bright blue, yellow or white it is 28½ ins high, 46 ins long and 31 ins wide. The metal legs fold flat up against the top and it can easily be hung up for storage against a garden or garage wall—see the back of the sketch. It is very lightweight so it is easy to carry in and out of the house. £69 from Practical Styling.

2

FROM factory to house or garden—this light was designed by Practical Styling along strictly functional lines. Part of the overall look currently being promoted by Practical Styling, it is made from the simplest of materials—metal—but it is transformed into an object that catches the eye and amuses the spirit by its jolly colouring.

Colours are all currently very bright and almost any combination is possible. The shade may be in black, white, red, green or blue and the stem of the light may be *green, white, red, grey or* black and a further permutation is offered by the fact that the lead can also be in almost any colour. The shop sells very long leads so the light can be used indoors or out, depending upon time or season. It is 6 ft 10ins high and the shade is about 15 ins wide. £39.50.

3

A FAR cry from the romantic, nostalgic image of all the fake Victoriana around is this clean and simple set of table and chairs. Mr Freedom, he of 60s fame, is the guiding spirit behind Practical Styling and he it is who has revived this traditional cafe table and chairs.

Again it is made from the most basic of materials—aluminium—which has the advantage of being very light, almost totally indestructible (so that it can be left out of doors in all weathers without any danger of rusting). The table has the additional advantage of being collapsible so that it can be *easily stored in the winter. It* is 28 in high, 24 in across while the chairs are 31 in high, 20 in wide and 12 in deep. The tables are £69.50 each, the chairs £39.50.

Shown on the table is a collection of Practical Styling's American drug-store tableware — there is a wonderful selection of 30s cocktail glasses, sundae glasses, milkshake glasses and the like, all of it very reasonably priced and all of it looking particularly good with the rather funky, industrial look that Practical Styling has pioneered.

4

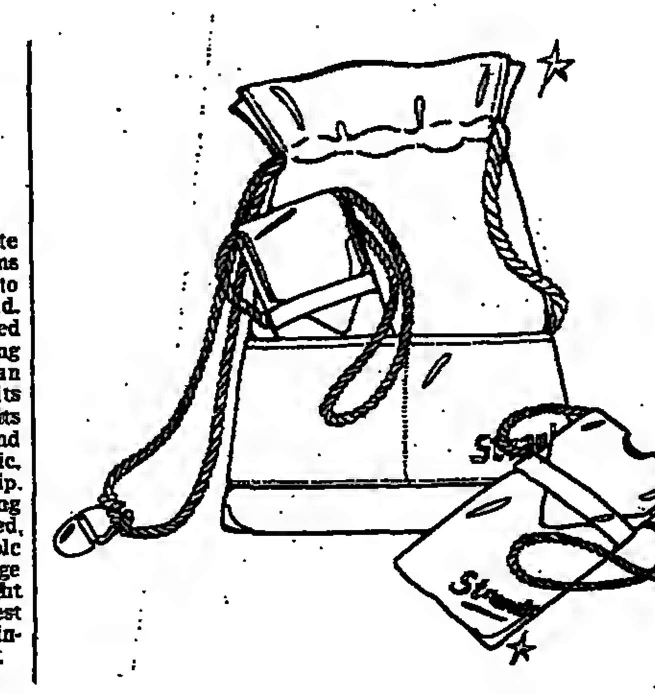
THIS is one of the best-looking trolleys I've seen in a long time. It looks particularly stunning in black, more funky in red. In black it would fit into almost any environment, except the romantic, Laura Ashley-type interior. It has castors for easy manoeuvrability and being made of painted steel can be used both indoors or out. It comes in unassembled form but for those who don't fancy *do-it-yourself* work Practical Styling will assemble it if asked. It measures 27 ins long, 20 ins wide by 30 ins high and costs £65.

5

FOR those who like to change their environment, rather like a theatrical set, the mobile tree is the obvious answer. The aluminium planter was originally designed for holding baker's dough. It has three removable castors if you want it to look more permanent. It measures 18 ins high by 20 ins across and it can be painted almost any colour—it looks especially spectacular in bright pink, red or blue but it can look chic in black or white or part of the garden scene in grass green. £65, it can be sent by Red Star for about £7 extra.

Stash and carry

THE Stash bag is the ultimate answer for those with arms strong enough to be able to carry home all it will hold. Made from brightly-coloured polypropylene it has strong wooden handles and, as you can see from the photograph, its chief claim to fame is its strength. It is roomy, light and could be used for beach, picnic, or the weekly shopping trip. It is very inexpensive, costing just £2.99, and it comes in red, blue or yellow. It is available now from Selfridges' luggage department or can be bought direct by post from "Forest House," Horningsham, Warminster, Wilts (postage included).



The stow away

THE ultimately practical bag for seaside holidays — sling it over your shoulder and use it to carry all those tacky essentials, the suntan oil, the damp towel, the insect repellent, the hair protector, the paperback, the bathing cap *et al*. It is in fact three bags in one — all made from bright waterproof pvc — use the large duffle for holding the damp swimsuit and towel. The two smaller pvc bags, which fit into the useful pockets round the side, are designed to hold the suntan oil and sunglasses. In bright yellow, black, white, green or red, the bag costs £9.95 and is available direct from Strands Salon, 62 Duke Street, London W1 (postage is £1 extra).

Carry on sitting

FOR all those summer sporting events when you just long and long for somewhere to sit down, the Ulisse walking seat could be the answer. It hooks onto the arm almost as easily as an umbrella. It isn't quite as light, weighing in at just over three pounds. It is made from bright red tubular steel, has a silver grey steel seat and was designed by Ivan Loss for Zenith International of Italy. As you can see from the photographs it folds more or less flat for easy carrying and opens out easily to form a seat. £8.95 from Barkers of Kensington, the Army and Navy of Victoria, London SW1, Guildford, Camberley, Bromley, Chichester and Eastbourne. There is free delivery in areas close to the stores. Those who live out of delivery range should enquire about carriage charges from their nearest store.

Trevor Humphries

Blood and guts performances

VIDEO REVIEW

NIGEL ANDREWS

THE CLIFFHANGING story of Rediffusion Limited continues. You will recall earlier episodes in the saga of my dealings with this company when, equipping me with video in January of this year, they subjected me to blizzard-beset TV sets and do-it-yourself wiring work. Now, just when one thought the alarms were over, new surprises have sprung forth. Five months after I first signed on the dotted line for the promised handsome wood cabinet-cum-TV-stand — part of their proudly advertised TV and video-recorder "package" — the article has been delivered to my door: in assembly kit *form* for personal construction.

There it sits in my hallway, daring me to believe it, and making me wonder if there is any other company working in Britain today with such touching faith in the self-help prowess of its customers.

The new cabinet almost arrived in time to support the TV through a showing of Charles Bronson's *Borderline* (Precision Video); when succour was sorely needed. This is the granite-faced superstar's newest action-pic and it has hurtled straight *into video* form, arousing strong suspicions about its calibre.

Sure enough Mr B, playing a border policeman in murkiest California, growls and lumbers less-than-hypnotically *through* a fitful romp, as he attempts to thwart a nasty, murder-strewn traffic in Mexican "wetbacks" (illegal cheap-labour immigrants). The film's early scenes are shot mostly *at night*, with scarcely the glimmer of a friendly moon or start, and by the time daylight arrives your pupils are in semi-permanent dilation. When they have finally readjusted, it is *to the sight of* standard Hollywood rolling-stock — shoot-em-ups, sieges, wrap-up law-and-order morals—running back and forth on the rails of predictability. Jerrold Freeman directed, and co-wrote the screenplay with Steve Kline.

Far better from Precision—and the Pick of the Week—is *Friendly Fire*, an American made-for-TV movie and one of the best of this maligned ilk I have seen. If you have witnessed Carol Burnett in the film *Annie*, pantomiming away as the evil orphanage mistress, you will scarcely recognise her in this. Gaunt and stricken, she plays the mother of a boy killed in Vietnam. The absorbing script, based *by Fay Kanin* on a *true* story, chronicles Miss Burnett's determination to find out the circumstances of his accidental death—under "friendly fire" rather than enemy attack—and to rally other war-shocked parents in her state into a pacifist protest-group.

It's a moving and utterly enthralling film. Director David Greene prowls through the farmlands and suburbia of wheatblond Iowa, seeking the plain man's and the plainsman's response to a far-flung military nightmare that America never justified to its people.

Stalwart in support are Ned Beatty as the boy's father, Timothy Hutton as his brother and Sam Waterston as the writer who wants the family's story. But it's Carol Burnett, swanning mask of face for that of tragedy, whose pained and tacit anguish electrifies the screen.

An earlier "protest" movie—indeed the grand-daddy of them all—is now available in video: *Easy Rider* (Columbia RCA). *Dennis Hopper* and Peter Fonda first revved their motor-bikes across the great belly of America in 1969, and the film has been riding pillion through postwar culture ever since. Columbia's cassette version is excellent, with crisp contrast and bright colours, and Hopper's happy-go-homebaked directing style, whirring his camera at anything that moves, finely transports itself to the smaller screen.

Best cassette-asset of all for movie-fans is to have Jack Nicholson's never-bettered performance as the hooch-swigging Southern lawyer within button-reach. This was the role that cannoned him into the public consciousness, after a decade of starring in unheard-of shoe-string Westerns and bloodsome *horror* films. It showcases, as no film has better done since, Nicholson's sleazy, easy charm, all Satanic grin, wiry drawl and slyboots wit and power.

Finally, Werner Herzog's prize-winning *Amazonian* epic *Fitzcarraldo*, which has just unfurled across the large screen at the Camden Plaza, London, appears simultaneously this month in cassette form (Palace Video). This dual-media release is the first of its kind to my knowledge, and it offers surely the best blueprint yet devised for a live-and-let-live relationship between cinema and video in the future.

Fade away

WOMEN who have skin that freckles easily or goes unevenly brown in the sun might like to know about Esoterica. Esoterica has principally been developed to help lighten the uneven pigmentation that appears on some skins. However, for the summer there is another version that not only helps lighten the dark areas but also has a sunscreen built in. The sunblock has a protection factor of 10 which means that almost all skins are adequately protected. The cream works as a moisturiser too so that the one product offers the three different advantages. Ask for Esoterica Fortified with Sunscreen — at £3.99 from Boots and other good chemists.

Watch and listen

ALL those sports fans who can't live without knowing the latest cricket score, all those music fans who like a constant background to work to, could do their listening very unobtrusively with the Trafalgar radio watch. It is what it sounds and looks like—a watch that is worn on the wrist in the normal fashion but to which headphones can be attached so that it functions as a radio as well. It gets all the major stations on the AM band but I found that it worked considerably better in open areas than in enclosed buildings. The watch shows hours, minutes, seconds as well as the date, month and day of week and incorporates a pre-settable alarm. Complete with one ear plug or two ear-phones (as shown), it costs £25.50 inclusive of p and p from Trafalgar Watch Company, Trafalgar House, Grenville Place, Hale Lane, London, NW7.

ARTS

Talking about the pictures

BY B. A. YOUNG

A decision outstanding for unexpected rightness has been to schedule six programmes about modern cinema on Radio 4. Why not on television? you ask; and the first talk by John Baxter yesterday shows why. There's a lot to be said about the cinema of the past 25 years, and the points made by Mr Baxter wouldn't have been clearer or more interesting if illustrated by film clips. It would be like introducing a bit of a sonata to amplify Emil Ludwig's report that Beethoven shaved up to his eyes every morning.

Mr Baxter has the right excited voice to make us believe that he developed alongside the developing cinema in the past couple of decades. He brought us Stanley Kramer, who put radical stuff into old-style movies, then he turned to more readily memorable times with the *nouvelle vague*. Probably *nouvelle vague* movies were more popular with their directors than with the ordinary moviegoer. "*C'est la chose la plus vexante qu'on puisse dire*," a girl said to me in Golfe Juan in 1961. "*C'est comme si je vous appellais un teddy-boy*." But one of the things that made this period so interesting was that film-directors were aiming to please themselves, just as composers and painters were. The public could follow or not.

Then on, through Wajda, Polanski, Forman, until we came back to the new Hollywood via the film schools of USC and UCLA. "The one thing they didn't teach us in school was content," John Carpenter reported, "content and style." Yet whatever happens, the size of the U.S. market ultimately "dictates every decision taken in the cinema." It was fascinating how well and fluently all the directors in this half-hour spoke American.

It is interesting (if unfair) to compare this programme with *Star Sound*, on Radio 2 on Monday, a request half-hour of music from films. You could listen to these numbers with a certain nostalgic pleasure; but you would not learn anything about movies from them. The clambake chorus from *Carousel* has nothing to say about *Carousel*; it is just a piece of incidental music. It has not even anything musical to say about the red-hot lobsters that feature in it. Listen and weep, or listen and smile, that is what *Star Sound* is about, and there is nothing much wrong with that as you sip your bedtime Ovaltine.

Intensive Care, or An Endless Vegetable-Like Existence, was the putting-off title of a rather good play on Radio 3 on Thursday. Its theme is familiar from *Whose Life Is It Anyway?*—should anyone helplessly crippled by disease or accident be compelled to go on living if they don't want to? The main difference is that *Whose Life* has a really helpless protagonist, whereas Lorenz in *Intensive Care* he is furnished with some sharp activity. He begins with what the parapsychologist call an OOBE, or Out of Body Experience, when after his last and ultimately fatal trouble he climbs out of his body and watches the hospital staff work at keeping him alive.

He then finds himself a familiar, an imaginary voice that identifies itself as Hypnos, the Greek god of sleep, with whom he may converse unheard when he is surrounded by doctors, nurses, family or priests. He is too far gone to converse with any of these; but later, when he is moved into a new ward that he shares with another patient, as irreparably doomed as he but sufferers. "The soul was received by God long ago, says the early death by injecting him with air and causing an embolism. (Where did he get these syringes?)

On a higher level of thought, there is a trial going on before some other-worldly judge. All the arguments for euthanasia are brought forward, a priest, oddly enough, being the only one in favour, apart from the sufferers. "The soul was received by God long ago, says the priest. What is left is a living corpse that is not allowed to die." Whether Lorenz dies or not we're not told. We leave him in a nightmare where clever doctors have rebuilt him as a head connected through the brain-stem to a heart-lung machine and an artificial kidney. Hugh Dickson plays Lorenz, as indeed he plays almost everything nowadays, and very nicely. Christoph Gahl is the German author, Anthony Vivis the translator, Horst Vollmer the director. Very interesting, I thought it.

Incident at Ilkley

BY ALAN FORREST

When June Oldham took over the directorship of Ilkley Literature Festival last year, the first woman to have the job, she didn't realise that she had taken on a nightmare. Mrs Oldham, a novelist who lives in this splendid Yorkshire moorland town with her husband and family, stepped into the breach, when Michael Dawson resigned to devote more time to his job as head of the Yorkshire Arts Association. She had the experience of involvement in the Festival, as press officer for some years, contacts with publishers and writers, and the switch of the Festival from a biennial to a yearly event offered her a challenge. And it seemed plain sailing.

Naturally enough, she reckoned without a rail strike and the uncertainties of national politics. On Monday, the Festival's opening day, a gloom settled over Ilkley. There was news that Geoffrey Boycott's return as Yorkshire's cricket captain against Gloucestershire wasn't working out very well, that Harry Ramsden's, the internationally famous fish-and-chip restaurant just down the road at Guiseley, was on the point of being taken to court under the Sunday Trading Act, and, unkindest cut of all, Norman St John Stevas, the Festival's star, billed to deliver the Ilkley Lecture on the future of the arts, was unable to get to Yorkshire because of the three-line whip in the House of Commons.

Frantic telephoning followed—to Sir Roy Shaw at the Arts Council, who couldn't make it. Lord Gibson, Kingsley Amis and others were mentioned, but it was a non-starter expecting to get a star speaker at 24 hours' notice in the middle of the rail strike. Finally, Patrick Nuttgens, director of Leeds Polytechnic and star of TV architecture programmes, who was to chair the St John Stevas meeting, stepped in and only a handful of people claimed their money back, a great victory over Yorkshire passion for value.

The rail strike presented Mrs Oldham with other problems—sending bus tickets at the last minute to authors, picking them up in Leeds, the last point of civilisation as far as public transport is concerned for anyone wanting to get to Ilkley. At one point in the Festival there were three novelists at large, wandering around Leeds to be snatched up by Mrs Oldham's car borne emissary from Ilkley.

But this most pleasant of Yorkshire Festivals worked, in spite of everything. Being a liberated woman, Mrs Oldham devoted the first day to a seminar on women in literature, rounded off with a forum, which just about filled the King's Hall in the evening, on the women's movement and literature. It is nice that the veteran journalist, Mary Stott, braved Victoria Coach Station and the M1, in order not to let Ilkley down, while there were stories that male visitors were demanding flights.

Philip Larkin, Eva Figes and Barry Foster

Mary Stott's session had novelist Eva Figes and playwright Olwen Wymark as speakers. The hall was heavily laden with the monstrous regiment, but the male chauvinists were able to sit smugly and discover that the feminist movement is split like the Labour Party. Who could have thought that female Young Turks would regard Miss Figes, author of that bible of feminism, Patriarchal Attitudes, as a kind of "house figure"? Mrs Wymark was attacked for "wanting to make it in the West End." And would she have made it anywhere, if she hadn't been Patrick Wymark's widow? She stonewalled this one effectively.

Miss Figes restored reality by pointing out that she was an artist first and a feminist second. She didn't sit down to write a feminist novel but confined her overt feminism to her polemical non-fiction writing. Mr Nuttgens talked about education and was smooth and convincing. He criticised the Victorian idea of a "liberal education," and went on to enthuse about education for technology and doing things, as the head of a Polytechnic would.

It was a masterly exposition of the two cultures, taking the issue beyond C. P. Snow and Leavis. At question time he was asked why he made cheap jibes about sociologists. He made a half-apology, and said that in academic circles sociologists tend to be a music hall joke—"You know, Wigan, Scunthorpe and sociologists."

It seems that the only thing Mr Nuttgens has in common with Mr St John Stevas is that they went to the same primary school, and what the Nuttgens talk had to do with literature wasn't quite clear. But Ilkley has always taken a rather wide view of what constitutes literature—the Winter Gardens and the adjoining King's Hall, where this year's Festival was concentrated, included an exhibition on modern newspaper production — complete with VDUs—by the Bradford Telegraph and Argus. A journalist from the newspaper's features department, John Hewitt, charming and patient with school parties and senior citizens alike, emerged as one of the favourites of the Festival.

The best thing during the four days was a specially devised programe, called The Outcast, in which Jonathan Clift examined Benjamin Brittan's obsession with "the outsider" in his operas, and a group of young singers from Opera North sang the music.

Keith Swallow's accompaniment on the piano was brillant, and it was a mystery why an evening that offered Britten, Henry James, George Crabbe, Wilfred Owen and Melville was so badly attended.

If the novel is still dying, very little happened in the way of artificial respiration at the novelists' forum, Thursday's main event. Of the four novelists present, only the excellent Maureen Duffy shone, and if I name her as a liberator of the English novel from the dead hand of the academics, I'm sure she'll forgive me.

There were good late-night sessions—Brian Barnes' Oscar Wilde programme was marvellous. He appears as Robert Ross, looking on Wilde from the outside. His programme includes a full reading of *Lord Arthur Savile's Crime*, which seems to say everything about Wilde as wit, storyteller and rather nice, but very foolish, human being.

The Festival ends today, with a 60th birthday tribute to Philip Larkin, presented by Barry Foster and Isla Blair. There are rumblings that the Festival's future is in doubt—with the threat that the Bradford Metropolitan Council may cut its grant next year. Nobody believes it will die.

Carl Flesch competition

BY MAX LOPPERT

On the evidence of their concerto performances at the Barbican Hall on Wednesday and Thursday, the six young violinists to reach the finals of the 1982 Carl Flesch International Competition were of mediocre standard. The proper course of action, for any jury faced with talent of this calibre, ought to have been the refusal to award the first prize at all; for such an award inevitably implies—admittedly, the usual dislikable implication of any international musical competition—that the recipient is ready to step fully fledged onto the international performers' circuit, and it is hard to imagine this year's winner, let alone the other five, doing any such thing. (A glance at the winners' lists of the previous seven competitions shows, in fact, just how seldom the Carl Flesch has been able to supply the international circuit.)

But, of course, the glittering array of commercially sponsored (and named) prizes was waiting to be allotted, and the battery of television cameras—both finals events were broadcast live on BBC2—demanded a *victor ludorum*. The machine was fuelled, geared, and ready to go: in such a situation, the severely proper course of action could hardly be the likely one. Even so, the final choice of the distinguished jury (chaired by Yfrah Neaman and including such eminent names as Panufnik, Ricci, Suk, and Szeryng) seemed to me remarkably curious. Disagreeing with an eminent competition jury is the usual entertainment of attendant critics; this was, by those criteria alone, an exceptionally entertaining competition.

In fairness to the jury, Prof Neaman admitted in his speech of announcement that the results, by no means unanimously achieved, took in not only the evidence of the concerto but also of the sonata performances (given on Tuesday, at a concert I was unable to attend). This may have held the key to the first prize award to the 27-year-old Romanian Adelina Oprean, whose Beethoven concerto, sweetly and sensitively lyrical in character whenever nervous smudges were not blotting that lyricism, lacked any kind of dramatising conviction, or native Beethovenian guts. It may also explain why second place went to the Pole, Krzysztof Smietana (b 1956). A particular puzzlement here: for Smietana was the audience's vociferous favourite (and was indeed recipient of the Audience Prize); yet judgment on his Brahms concerto had to balance genuine artistic instincts against a dullness of projection and a flabbiness of attack that reduced the overall impression to simple haplessness.

Third was the Bulgarian Evgenia Popova (Brahms), whose interpretative ideas, consistently lively and individual, were consistently undermined by technical uncertainties. The fourth and fifth prizewinners interested me most. The Beethoven playing of the American Michelle Markarski (4th) rang out cleanly and confidently, without much finesse of poetic detail but with every note honestly forged into place; and most rewarding of all was the very young (b 1960) Japanese Kyoko Kimura (5th), in whose Brahms concerto things were apt to go nervously haywire, but in which there were humorous revelations of illuminating musicianship that rendered the work music once more, not mere competition fodder.

I would have shared second prize between Kimura and Markarski, recognising technical address but also saluting the single gleam of genuine promise for the future to have emerged from the competition. Popova and Oprean I would have invited to share fourth place; and sixth I would have divided between Smietana and its actual recipient, the Japanese Takumi Kubota, whose Mendelssohn was unvariedly strong and unvariedly wooden. On the first evening, Charles Groves and the Royal Philharmonic plodded unmercifully in their accompaniments; on the second, they perked up a bit.

Sale of the year

Christie's has held its most successful sale for well over a year in the dying weeks of what has proved a difficult season. Its auction of English pictures yesterday, an uncertain market, totalled £2,489,940, with just 3 per cent bought in. A painting by Turner, "The Temple of Jupiter Panellenius restored," sold to the New York dealer Richard Feigen for £648,000, double the forecast. It had sold at Christie's in 1876 for 2,000 guineas.

Many London dealers were active bidders. Leggatts bought a wooded landscape by Constable for £324,000, well over forecast, and Agnew paid £259,200 for a Reynolds portrait of Lady Eglington — she gave £157 10s for it in 1782. Nortman and Brod acquired a Lawrence portrait of young Miss Peel for £216,000 and at £162,000 Agnew bought a Raeburn portrait of Mrs Margaret Stewart and Lady Abdy a Moppner portrait of the Duchess of York.

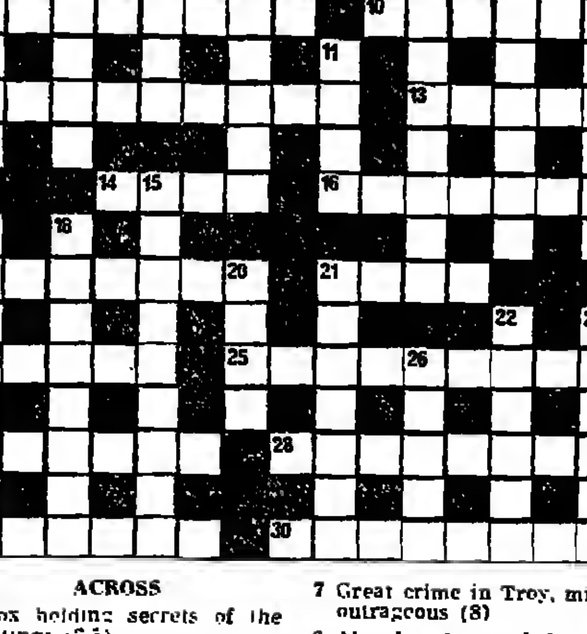
F.T. CROSSWORD PUZZLE No. 4,925

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



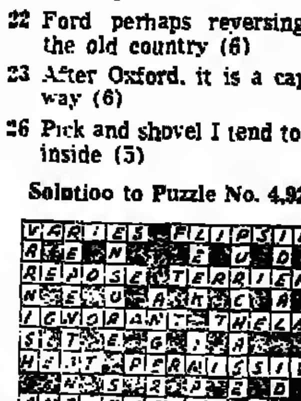
ACROSS

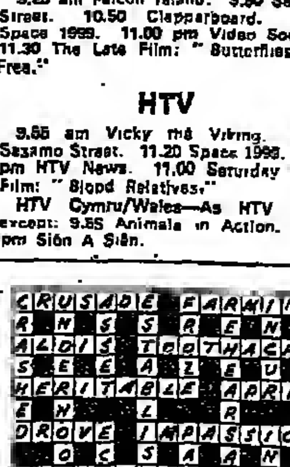
1 Box holding secrets of the ratings (3-5)
5 Break the law where plank-walker goes (6)
9 Seville flourishes in this garden of Spain (8)
10 On the defensive, it is hard to wear (6)
12 His cattle straying in field events (9)
13 Language of many in queue ... (5)
14 ... brogue perhaps of southern garden-weeder (4)
16 Recovering well in the spring? (7)
19 Running-in? (7)
21 Border put on by potter? (4)
24 Queues behind The King's Head (5)
25 Little bird providing a hot scent (9)
27 Satellite of Uranus seen in October only (6)
28 Bask in the sun—at a price to be arranged (8)
29 Danish state rank? (6)
30 Fan sticking (8)

DOWN

1 Battle-cry for head of Stuarts to take along possibly (6)
2 Indifference—a road to the end of prosperity (6)
3 Part of Holland that is silver in colour? (5)
4 I, put in by Packer, ran side out (7)
6 Foreman without an intermediary (5-4)
7 Great crime in Troy, mine—outrageous (8)
8 Abandoned trice, led to ruin (8)
11 Fair one for a knitting pattern (4)
15 Greets mood with a drop of the hard stuff (9)
17 End of Hereford can come here (8)
18 Harsh red tints applied roughly (8)
20 Extra deep cut? (4)
21 Bowed as she playfully did to conquer (7)
22 Ford perhaps reversing in the old country (6)
23 After Oxford, it is a capital way (6)
26 Pick and shovel I tend to use inside (5)

Solution to Puzzle No. 4,924





SOLUTION AND WINNERS PUZZLE NO. 4,919

Mr A. J. Green, 70 High Street, Blakeney, Holt, Norfolk.

Mrs E. Johnston, 21 Courtfield Close, Sudbrooke, Lincoln.

Mr K. M. A. Barnett, "Bishops Nympton," Devonshire Avenue, Amersham, Bucks.

BBC 1

6.50 am Open University (UHF only). 9.05 Weekend Wardrobe. 9.30 Get Set. 10.40 Cricket: England v Pakistan. Golf: The Open from Royal Troon.
12.45 pm Grandstand including 12.50 News Summary. Golf: The Open (12.55, 3.10, 3.50). International Cricket (1.25, 2.40, 3.10, 3.50). Continued coverage of England v Pakistan. Racing from Newbury (1.50, 2.20, 2.50). Motor Racing (2.10) Formula One World Championship. Racing from the Curragh (3.40).
5.10 News.
5.25 Sport/Regional News.
5.30 The Saturday Film: "Captain Nemo and the Underwater City," starring Robert Ryan.
7.15 David Essex' Showcase.
7.55 The Little and Large Show.
8.30 Dynasty.
9.20 News and Sport.
9.35 Athletics from Crystal Palace: England v Kenya v Spain v Japan for the Citizen Watches Cup.
10.40 Kelly Monteith.
11.10 Saturday Live.
12.00 Harry 'O.'
CYMRU/WALES — 5.25-5.30 pm Sports News Wales.
SCOTLAND — 5.25-5.30 pm Sport/Regional News.
NORTHERN IRELAND—5.25-5.30 pm Northern Ireland News and Sport.
ENGLAND — 5.25-5.30 pm South-West (Plymouth): Spotlight Sport. Regional results and reports. All other English regions: Sport/Regional News.

BBC 2

6.25 am Open University.
3.10 pm Saturday Cinema: "Gold for the Caesars."
4.30 Cricket: England v Pakistan. Golf: The Open from Royal Troon.
7.30 News and Sport.
7.50 Ireland: A Television History.
8.40 The Levin Interviews.
9.10 Pablo Picasso.
10.40 News On 2.
10.45 Cricket: Highlights.
11.10 Golf: Highlights.
11.50 Midnight Movie: "The Court-Martial of Billy Mitchell."

LONDON

8.30 am Sesame Street. 9.30 Saturday Action. 11.15 Space 1999.
12.15 pm World of Sport. 12.20 The Tour de France. 12.45 Aerobatics from Reno, Nevada. 1.00 McEnroe, followed by Australian Pools Check. 1.15 News. 1.20 The ITV Seven from Newmarket and Ayr. 3.10 Water Ski-ing. 3.35 The Tour de France. 3.50 News Round-Up. 4.00 Wrestling. 4.55 Results.
5.05 News.
5.15 Worzel Gummidge.
5.45 The Incredible Hulk.
6.45 Foonyboon.
7.15 Russ Abbot's Saturday Madhouse with Michael Barrymore, Susie Blake, Les Dennis.
7.45 "Diamond Head," starring Charlton Heston, Yvette Mimieux.
9.45 News.
10.00 ITV Playhouse ... "The Breadwinner," starring Michael Gambon, Jennie Linden.
11.00 London News Headlines, followed by Bosom Buddies.
11.30 Continental Movie ... "The Priest's Wife," starring Sophia Loren and Marcello Mastroianni.
1.20 am Sit Up and Listen with Lord Shinwell.

†Indicates programme in black and white.

All IBA regions as London except at the following times:

ANGLIA

9.10 am Sesame Street. 10.10 The Extraordinary People Show. 10.40 Cartoon Time. 10.50 Clapperboard. 11.20 Thunderbirds. 5.45 pm Chips. 11.00 Mannix. 12.00 That's Hollywood. 12.30 am At the End of the Day.

BORDER

9.35 am Adventures of Black Beauty. 10.00 Tarzan. 10.50 Clapperboard. 11.15 Space 1999. 5.45 pm Chips. 11.00 Streets of San Francisco.

CENTRAL

9.25 am Coma Close. 9.40 Clapperboard. 10.10 Gather Your Dreams. 10.40 Feature Film: "The Pied Piper." 5.45 pm Chips. 11.00 Thriller: "Spell Of Evil."

CHANNEL

5.19 pm Puffin's Pla(i)ce. 5.17 WKRP in Cincinnati. 5.45 Sale of the Century. 5.15 Mr Merlin. 11.00 Hill Street Blues. 12.00 Three's Company.

GRAMPIAN

9.10 am Kum Kum Cartoon. 9.35 Stingray. 10.00 Tarzan. 10.50 Clapperboard. 11.15 Space 1999. 5.45 pm Chips. 11.00 Danger UXB. 12.00 Reflections.

GRANADA

9.25 am Falcon Island. 9.50 Sesame Street. 10.50 Clapperboard. 11.15 Space 1999. 11.00 pm Video Sounds. 11.30 The Late Film: "Butterflies Are Free."

HTV

9.55 am Vicky the Viking. 10.20 Sesame Street. 11.20 Space 1999. 5.14 pm HTV News. 11.00 Saturday Night Film: "Blood Relatives."
HTV Cymru/Wales—As HTV West except: 9.55 Animals in Action. 5.15 pm Sion A Sian.

SCOTTISH

9.35 am Stingray. 10.00 Tarzan. 10.50 Clapperboard. 11.15 Space 1999. 5.45 pm Chips. 11.00 That's Hollywood. 11.30 Late Call. 11.35 The New Avengers.

TSW

9.05 am Sport Billy. 9.30 The Saturday Show. 10.30 Calvesalo. 10.50 Charlie's Angels. 11.45 The Adventures of Black Beauty. 12.12 pm TSW News. 5.15 TSW Regional News. 5.17 WKRP in Cincinnati. 5.45 Sale of the Century. 8.15 Mr Merlin. 7.45 Film: "The Users." 11.00 Hill Street Blues. 12.00 Three's Company. 12.25 am Postscript.

TVS

9.00 am Saturday Brief. 9.05 Sesame Street. 10.05 Sport Billy. 10.30 No. 73. 11.45 Benson. 5.15 pm TVS News. 5.20 Worzel Gummidge. 5.50 Chips. 11.00 Thriller: "The Death Policy." 12.25 am Comedy.

TYNE TEES

9.00 am Young Ramsay. 9.50 Joe 90. 10.20 Saturday Morning Movie. 12.05 pm Check It Out Extra. 12.13 North-East News. 5.15 North-East News. 5.45 Chips. 11.00 In Concert. 12.15 am Poet's Corner.

ULSTER

10.10 am The Extraordinary People Show. 10.35 Clapperboard. 11.05 Thunderbirds. 12.05 pm Golf Doctor. 5.13 Ulster News. 11.05 Thriller: "Dial A Deadly Number." 12.25 am News at Bedtime.

YORKSHIRE

3.00 am Fangface. 9.20 Banana Splits in Hocus Pocus Park. 10.10 The Extraordinary People Show. 10.35 The Saturday Morning Picture Show: "Journey To The Centre Of The Earth." 11.00 pm Pro-Celebrity Ten-pin Bowling. 11.45 The Monte Carlo Show.

(S) Stereo broadcast (when broadcast on VHF)

RADIO 1

3.00 am As Radio 2. 7.00 Wake Up to the Weekend. 8.00 Tony Blackburn's Saturday Show. 10.00 Paul Burnett. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Peel's Pleasures (S). 5.00 Rock On (S). 5.30 In Concert (S).

RADIO 2

5.00 am Peter Marshall (S). 8.05 David Jacobs (S). 10.00 Joan Collins (S). 11.03 Kenny's Midsummer Madness (S). 1.00 pm The Impressionists. 1.30 Sport on 2. 7.00 Three In A Row. 7.33 Big Band Special (S). 8.00 Saturday Night Is Music Night (S). 10.00 Hilversum Greets Radio 2 (S). 11.10 Pete Murray's Late Show (S). 2.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.30 Schubert (S). 11.15 Russian Music (S). 1.00 pm News. 1.05 Affetti Amorosi (S). 2.00 Concertgebouw Orchestra of Amsterdam (S). 4.00 Stravinsky (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Classical Guitar (S). 7.10 Lessons. 7.30 Proms '82, part 1: Dukas, Ravel, Saint-Saens (S). 8.15 The Lyttelton/Hart-Davis Letters. 8.35 Proms '82, part 2: Franck (S). 9.30 Later (S). 9.55 Modern Song Cycles (S). 10.35 Jorg Demus (S). 11.15 News.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.52 Yours Faithfully. 7.00 News. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm A Small Country Living. 12.27 The News Quiz (S). 1.00 News. 1.10 Any Questions? 2.00 News. 2.05 Thirty-minute Theatre (S) 2.35 Silent Avenues of the Past. 3.05 Wildlife. 3.30 The Lord of the Rings (S). 4.30 Does He Take Sugar? 5.00 Modern Spanish Writers. 5.25 Week Ending (S). 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson (S). 7.35 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 10.00 News. 10.15 The Place in the Sun. 11.00 Lighten Our Darkness. 11.15 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News. 8.04 London Today. 8.30 Travel Round-up. 9.33 The Boat Show. 9.00 News. 8.03 On the Fetes. 9.30 Openings. 10.02 All That Jazz. 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 A Month in a Monastery. 6.00-5.00 am Join Radio 2

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Tommy Boyd. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dave Brenner. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala. 5.00 Network. 8.0! LBC Special. 10.00 Nightline with Carol Thatcher. 1.00 am Night Extra with Mike Porter. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

4.00 am The Early Show—Phil Allen. 7.00 Breakfast Show—Graham Dene. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Roger Scott. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards Soul Spectrum. 6.00 Small Beginnings. 8.00 Richard Digance and Folk Friends. 10.00 Roots Rockers with Donald Facey. 12.00 Midnight Special—Phil Allen.

TV Ratings

w/e July 10

U.S. TOP TEN

1	MASH (comedy) (CBS)	19.3
2	60 Minutes (news) (CBS)	18.8
3	Fantasy Island (drama) (ABC)	18.5
4	Hart to Hart (drama) (ABC)	18.0
4	Alice (comedy) (CBS)	18.0
6	Jefferson (comedy) (CBS)	18.0
7	Too Close For Comfort (ABC)	17.5
8	Hill Street Blues (drama) (NBC)	17.4
8	Three's Company (comedy) (ABC)	17.0
10	House Calls (comedy) (CBS)	16.8

CHESS SOLUTIONS

Solution to Position No. 432

No. The pawn ending is unclear, but the game went 1 P-B5 ch, K-R4; 2 K-R3! and Black resigned because 3 Q-B7 ch and 4 Q-N6 mate is now a decisive threat.

Solution to Problem No. 432

1 Q-K2 (threat 2 QxP), P-Q3; 2 N-Q4, or if K-B4, 2 B-N4, or if P-K5; 2 QxP. Not 1 Q-N5? P-Q4.

LEISURE

The Age of the Penny Dreadful

COLLECTING

JANET MARSH

PENNY BLOODS and Penny Dreadfuls, the demi-monde of Victorian literature, have suffered an eclipse of fashion among collectors. In the 1930s they were much sought after, commanded high prices and attracted articles in *The Connoisseur*. Today, though, it is early *Mickey Mouse Weeklies* and *Dandies* that set the collectors affintter: people have quite forgotten Jack Harkaway, Frank Fearless and Dick Lightheart.

The change in fashion is easily explained. This kind of collecting depends above all upon nostalgic appeal. In 1930 there were still people with happy childhood memories of the comics of the 1880s—just as today's collectors of *Mickey Mouse Weekly* were probably the readers of the 1930s and 1940s.

Moreover these earlier comics are much harder to find. The great old collections have been gathered into the museums. Destruction has added to their rarity. Most of them were printed on execrable, acid-filled paper which began to rot from the moment printing ink and woodblocks first hit it. Bound volumes sometimes still surface, but individual issues only rarely turn up in ephemera bazaars and vintage comic shops.

It is a pity, however, for the old Penny Dreadfuls make entertaining reading, In small doses, and provide a lively link with the popular mind of an age now exotically remote.

The term Penny Bloods is generally applied to the first manifestation, in the 1830s, of popular illustrated novels published in penny weekly parts. Classier writers like Dickens and Ainsworth came out monthly and cost one shilling. The Bloods attracted a public of lower economic standing but still (more or less) adult. Gothick horrors like *Varney the Vampire* or *The Feast of Blood* were much in demand.

The name became "Penny Dreadfuls" from the 1860s, when the publishers began to address an exclusively juvenile audience. Fashions tended to go in cycles, but the perennial favourites were tales of school life, historical romances, military, naval and colonial adventures, lurid tales of pirates, highwaymen and ghosts.

Inevitably the Penny Dreadfuls became targets for the moralists of the day, who, tediously predictable, attributed the decadence of modern youth to imaginations overheated by tales of piracy and crime.

Generally, however, the stories—even the notorious *Wild Boys of London*—exemplified and instilled the highest moral principles a Victorian could desire. The heroes (nine times out of ten called Jack: the rest were Toms, Dicks or Harries, with a very rare Frank among them) were British to the core. Whether cabin boys, midshipmen, little drummers, captains of cricket, orphans or farmers' sons, they combat villainy, chivalrously defend the fair sex and are amiably condescending to persons of other races and nations. Their comic friends are Joes and Billies and Sams. Villains have awful names like Von Bunk, Dumbley or (if brutal schoolmasters) Dr Tickleham.

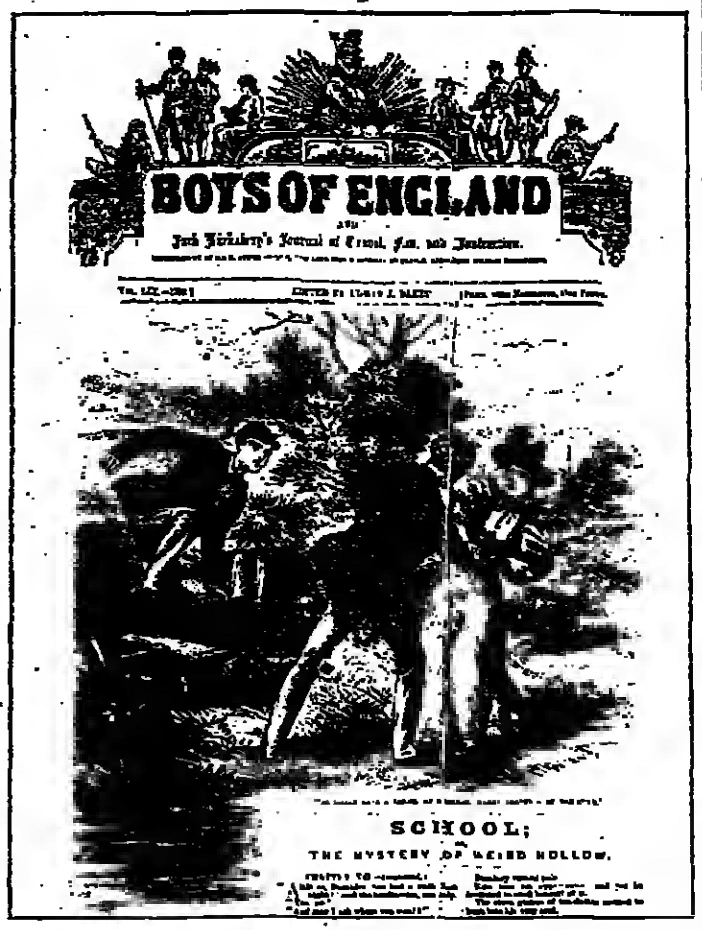
The writers were legion, and not always inconsiderable. Harrison Ainsworth wrote *The Miser of Shoreditch*, Thackeray was credited with *Elizabeth Brownrigge* and Bulwer Lytton contributed individual stories to the publications of Edwin J. Brett.

Lloyd of *Lloyd's News* and Reynolds of *Reynolds' News* were rivals in the field. George William McArthur Reynolds was a remarkable figure. A radical politician and Chartist in the late 1840s, he was also a prolific writer of Bloods, and augmented his own output by keeping his wife and two assistants busy at their inkpots. His *Mysteries of London* and *Mysteries of the Court* ran to 15 annual volumes of 52 weekly issues each.

The closing paragraphs of the first volume of *The Mysteries of the Court* exemplify Reynolds's technique for ensuring the next week's sale: "*Upon the carpet was stretched the old midwife—a ghastly corpse!—and bathed in the blood that was still flowing from her neck .... When Catherine Walters regained her senses she was in a hackney-coach, and in the custody of two constables who were conveying her to Horsemonger Lane Gaol on a charge of being the murderess.*"

Perhaps the most successful of the writers was Bracebrydge Hemynge, a barrister of the Middle Temple whose creature Jack Harkaway enjoyed such success in the United States as well as in the land of his birth, that Hemynge was able to build himself a palace on Staten Island.

Edwin J. Brett whose most famous magazine *The Boys of England* ran from 1865 till the end of the century sustained his readers' loyalty with ingenious cunning. The trick was to run three or four serials at one time, ensuring that they overlapped. Thus when *The Cattle Hunters* began, *The Prince of the Isles* was already at Chapter 16 and *Dead or Alive* at Chapter 30: and when *The Cattle Hunters* ended, to be succeeded by *The Doge's Treasure*, readers were already deep into *The King's Champion* and *School; or the Mystery of Weird Hollow*. There was no escape.



Safety first for drivers

MOTORING

STUART MARSHALL

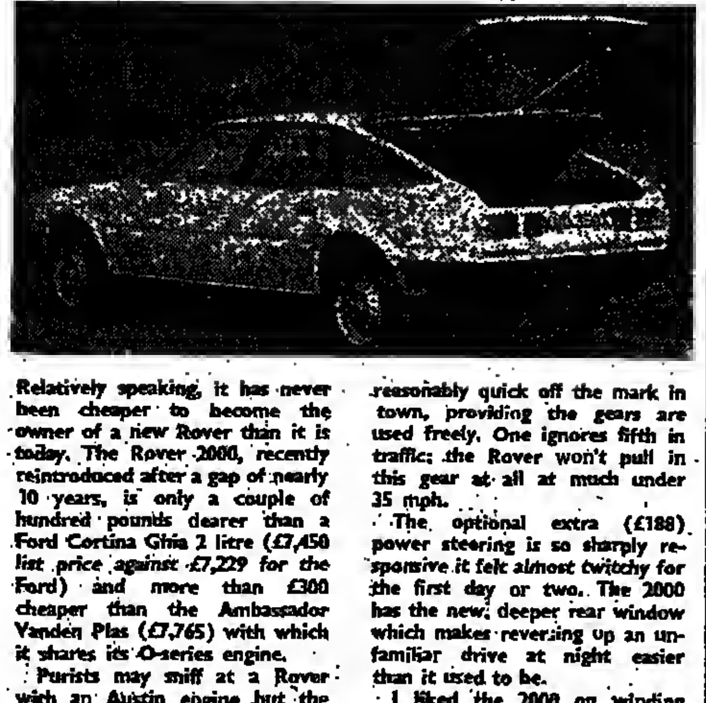
CARS ARE getting safer all the time—but are drivers? It would be nice to think so; but there is quite a lot of evidence pointing the other way. Safety, regrettably, doesn't loom large in the order of priorities of drivers who follow bumper to bumper on rainswept motorways and are involved in multiple shunts as a result. Or those who refuse to use dipped headlamps when visibility fails; who think that parking lights will do in fog; who don't know what some of the commonest road signs stand for; and who become aggressive, even violent, at the least provocation.

Anything that can encourage greater safety awareness and higher standards of driving skill has to be good. For example, the National Safe Driver Competition, which is run under the auspices of the Royal Society for the Prevention of Accidents (RoSPA) and sponsored by Autoglass, the nationwide windscreen replacement specialists. First prize for this year's contest, now in progress, is a Ford Sierra, the Cortina replacement due out in September.

The competition is tailored *for the family motorist, not the* throttle - blipping enthusiast. There are two ways of entering —by obtaining a form with a "spot the hazard" picture from RoSPA or the competition office at 18 Walker Street, Edinburgh EH3 7LP, or by taking a free assessment drive. These are being arranged at a dozen locations throughout Britain—RoSPA offices have the details. Up to eight entrants from each area will go forward to regional finals. The best compete for the Sierra at the National Exhibition Centre, Birmingham during the 1982 Motor Show in October.

Ultimately, the best way to improve driving standards would be to have a two-stage driving test. Those who passed the first stage, which would be like the existing test, would gain a probationary licence. It would become a full licence only when they had passed a further test—rather like the Institute of Advanced Motorists' examination —within a specified period.

At present, it simply isn't practicable and it won't be for at least 10 years. Non-governmental bodies like RoSPA and voluntary organisations such as the IAM are meantime doing what they can to improve driving standards. Sometimes, as in this case, they are helped by companies who want to be seen to be associated with a good cause. The Department of Transport is looking benevolently upon the National Safe Driver Competition and has even suggested a learner-driver section.



Relatively speaking, it has never been cheaper to become the owner of a new Rover than it is today. The Rover 2000, recently reintroduced after a gap of nearly 10 years, is only a couple of hundred pounds dearer than a Ford Cortina Ghia 2 litre (*£7,450 list price against £7,229 for the* Ford) and more than £300 cheaper than the Ambassador Vanden Plas (*£7,765*) with which it shares its O-series engine.

Purists may sniff at a Rover with an Austin engine but the 2000 proves to be a free-running and lively car, at its best on the motorway where its 24 mph per 1,000 rpm fifth gear makes it long legged and quiet. It is reasonably quick off the mark in town, providing the gears are used freely. One ignores fifth in traffic; the Rover won't pull in this gear at all at much under 35 mph.

The optional extra (£188) power steering is so sharply re*sponsive it felt almost twitchy for* the first day or two. The 2000 has the new, deeper rear window which makes reversing up an unfamiliar drive at night easier than it used to be.

I liked the 2000 on winding roads and motorways alike with one reservation—ride comfort. The self-levelling device has been left off the rear axle to keep the price down.

A fine year for weeds

GARDENING

ARTHUR HELLYER

A MIXTURE of warmth and ample rain has done wonders for the growth of plants but, of course, has been equally helpful to what we want and the weeds we could well do without.

I cannot recollect some things, cleavers for example, ever growing faster, this particular clinger seemingly adding a foot to its height in a single night. Sow thistles and goosefoot have been equally exurberant and I must have some of the healthiest chickweed in the land. All these can be dealt with easily enough by hoeing and handweeding though I have decided that it is wise to wear a long-sleeved shirt when tackling cleavers which has produced a considerable rash on my bare skin, something I do not remember suffering before.

In the flower garden I am a compulsive hand weeder prefering to crawl about on hands and knees with a good trowel or an onion hoe to grub out anything that cannot be readily pulled. Standing up with a long chandled hoe it is all too easy to cut off seedlings of garden plants that I am very happy to preserve when I am sufficiently close to distinguish between friend and foe.

In the vegetable garden the problems are very different as the crops are (or should be) in straight rows and it is far quicker to work between the rows with a hoe, leaving any hand weeding as a finishing job for the few weeds that are actually in the crop rows and too closely intermingled to be separated by other means.

But when all is said and done there are some weeds that defy removal by any mechanical means unless repeated many times. There are, the deep rooters such as bindweed and horsetail, slender rooters that nevertheless grow again from every fragment left in the soil as sheep's sorrel does, prolific producers of tiny bulbs or tubers which break loose and get lost in the soil however carefully they are lifted, of which my worst example is a mauve flowered oxalis, ground elder and the various couch grasses which push their way into the heart of big clumps of perennials from which they cannot be dislodged, brambles which sprout from rocky crevices where they are equally impregnable and clovers and daisies which mingle with the grass of lawns so intimately to be separated from it.

There are many other equally persistent weeds which one must either endure or get rid of by complete recultivation of the area, perhaps with a fallow period to follow to allow any remaining fragments to grow and be dealt with, or else attack with chemical herbicides. These are a source of constant controversy and anxiety which is perhaps just as well since it does keep the experts who have to evaluate the safety of these chemicals constantly on their toes, well aware that any mistake on their part can mean financial disaster for the firm involved.

From the standpoint of their method of action herbicides can be divided into four groups. There are those that kill everything by absorption through either leaves or roots. Sodium chlorate is an example of this kind and I would not use it in my garden. Other chemicals kill through the leaves only and here one is on safer ground for one can direct them on the leaves of weeds one wishes to kill but keep them off the leaves of garden plants which are to be preserved.

Both glyphosate (sold in small packs as Tumbleweed and in large ones for farm use as Roundup) and paraquat and diquat (sold in granule form as Weedol for gardens and as the liquid Gramoxone for commercial use) are of this kind and I find them invaluable for certain purposes though they must be used with great care. Often it is necessary to use a small hand sprayer with a nozzle that gives a narrow beam of spray easily directed exactly where it is required and nowhere else.

A third group inhibits the growth of seedlings and the most familiar garden example is simazine, marketed as Weedex, admirable for keeping drives and paths weed free for months at a time.

The fourth group is chemically selective, killing plants of one type but sparing those of another. Most familiar are the selective lawn weedkillers which kill broad leaved plants but do little or no harm to grass, but there are other kinds which have precisely the opposite effect and a new one has just made its appearance. It comes from May and Baker. Its chemical name is alloxydim-sodium and it is being marketed as Weed-out. It kills grass, especially couch grass, but is said to be harmless to most agricultural and horticultural crops. I have only had a few weeks in which to test it and so I cannot be positive in my evaluation but it has certainly killed all the grass I have sprayed it on and does not appear to have harmed any of the ornamental plants it fell on. I have not yet tried it in the vegetable garden. Certainly I could not have taken similar risks with paraquat or glyphosate which are both excellent grass killers but also deadly to most other plants, though

SPORT

Ben Wright reports on the start of the Royal Open

Golf by the book

BOBBY CLAMPETT, a 22-year-old from Carmel, California, who has yet to win a professional tournament, led by six strokes at the halfway stage of the 111th Open Championship at Royal Troon last night. This slim, frail-looking youngster has recorded splendid rounds of 67 in the vile cold of Thursday and 66 in the benign warmth yesterday for an 11 under par total of 133, which gives him a considerable advantage over the pride of West Germany, Bernhard Langer, runner-up in this championship last year, and the Irish butcher's son, Des Smyth.

Both these two have scored 70 and 69 for a par of 139, which finds them one shot clear of the U.S. Open champion, Tom Watson, who has won this event three times and is still in many minds most likely to do so here. Watson has had rounds of 67 and 71 for a total of four under par 140. Next come two Englishmen, the pencil-slim Ken Brown (70, 71—141) and Peter Oosterhuis (74, 67—141), who, of course, is domiciled in Santa Barbara, California. The defending champion, Bill Rogers, comes next at 143, alongside the Spaniard, Jose Maria Canizares, and these are the only players below par, although there is still some four hours of play remaining, and therefore the list is far from complete. At even par 144 come the leading Japanese golfer, Isao Aoki, the 1979 U.S. Masters Champion, Fuzzy Zoeller, and three Britons, beer-swigging Brian Barnes, Martin Poxon, and David Russell.

It should be noted that at the moment a 25-year-old South African, Nicky Price, is six under par with two holes to play, and Sandy Lyle, who is having a remarkable round, is four under, with four holes to play, having gone seven under in nine holes from the fourth onwards.

Jack Nicklaus, who hung a millstone round his neck with a first round of 77, was almost the last out. But Arnold Palmer, who won his second successive championship here in 1962, was hanging in firmly at two under par after nine holes, and Europe's number one hope, Seve Ballesteros, was one under par after the same distance.

The wind has mainly been from the same north-westerly direction, but a mere zephyr compared with the ice-cold blast that made conditions so villainous for the majority of the competitors in their first round. It is well known that in such conditions it is advisable to forge a good score on the way downwind to the turn, and try to protect that advantage

Clampett stuck strictly to that game plan in his strangely intellectual manner—he is a constant deep thinker—and he reached the turn in four under par 32. He was close to the hole for two more birdies at the tenth and eleventh, and thereafter did very well to protect his enormous advantage at that stage. Although he bunkered his drive to drop a stroke to par at the fifteenth, he immediately demonstrated the class that has made him constantly touted as a future world beater by hitting back with a birdie at the 542 yards sixteenth hole.

He was through the green at the 223 yards seventeenth, again to drop a shot, but the trusty metal wood set up a six iron second shot to the last green that pulled up six feet from the hole at this 425 yards eighteenth, and, like the good one he is, Clampett holed in another excellent putt to complete a staggeringly brilliant round of 66. Now, Clampett has only to beat himself, as he knows only too well. His whole deep-thinking game is based on this premise

Clampett is a young man who, in his native Californian parlance "marches to a different drummer." Certainly he is no danger of being assessed as one of the characterless blond clones that infest the American tour, to the chagrin of everyone concerned. His shock of blond curls makes his look like one of the Marx brothers. He is a deep thinker. Incredibly he has 24 check points about every swing he makes, a theory based on advanced mathematics propounded in a slim volume by an engineer called Homer Kelley. To most weekend hackers to think of four points, let alone 24 before during and after the swing is almost too much to expect. Clampett scarcely knew his father and has been brought up by his French mother, and is thus totally bilingual.

Clampett started the championship at the very generous odds of 66-1. He is now a prohibitive 5-4 favourite, with his obvious challenger Watson a rather prohibitive 5-2. It remains to be seen whether the youngster can hold up. But it is a strange fact that so far much of the interest in the championship has been generated by Clampett, who is 22 years old, Watson, who is 32, Niklaus, who is 42, and Palmer, who is 52. If ever a point was made that this is a game for all seasons and all ages it could not have been done more convincingly.

The British national eight in action

Britain's rowing prospects examined by **Michael Donne**

A racing start

THE BRITISH national heavyweight eight, fresh from its victory in the Amsterdam international regatta last Sunday, will be putting the power on again this weekend at the British national rowing championships at Nottingham. At stake will be selection as the UK crew to fight for the world championship rowing title in eights at Lucerne, August 21-29, against some of the toughest crews to be found anywhere, including the Soviet Union, East Germany and the U.S. (all of whom the British beat last weekend.

Magnificent spectacle as it is, many people believe Henley Royal Regatta to be the ultimate in rowing honours—and indeed for many of the club, college and school crews who do not aspire to international fame, it is undoubtedly the pinnacle of achievement to win trophies such as the Grand, Ladies' Plate, Thames Challenge Cup, and so on that have been hallowed in the halls of rowing for well over 100 years.

But Henley is in a class of its own, and is not the British national championships. The latter, rowed on the special course built at Nottingham some time ago, are different. To win at Nottingham is not only to be openly ranked as the best in Britain, but also to gain the chance of being sent overseas to represent one's country in various world-class events.

At Nottingham, the star-studed British national eight, which includes six Olympic medal winners and a former world champion lightweight oarsman, will be seeking to convince the selectors that they should be chosen to go to Lucerne, where the level of competition will probably far transcend that found at Henley two weeks ago, or even perhaps that at Amsterdam. Throughout the season, the selectors have been watching the national eight. The heavyweight crew won the Grand at Henley, but only after a tough battle with a courageous University of London eight, that has also entered at Nottingham. They will also face a Leander crew, comprising some very experienced Old Blues of recent vintage, the Mobil-sponsored national lightweight eight, and the Under-23 national eight.

If the heavyweights do not win, it will be a disaster for them, and a bitter disappointment for their coach, the indomitable Miss Penny Chuter, who has carefully brought them on over recent months, with the world championships in mind. The strain of going round the domestic and international rowing circuit — Henley, Amsterdam, *Nottingham and elsewhere* — in the build-up to the world championships can be considerable, and crews can be temperamental and prone to attacks of illness and other problems.

Keeping them all fit, happy and determined to win is often as much a psychological as well as a physical matter, and Penny Chuter has already achieved much to get her charges this far into the season intact. Although this weekend is only another step along the long and tough road to Lucerne, it is a vital one.

If the national eight are defeated at Nottingham (and, frankly, no one really thinks that is likely to happen) it will be a sad blow, and a problem for the selectors, who would be faced with the decision of who to send to Lucerne in the heavyweight squad's place, or to reorganise the crew. Although by then this could be too late.

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Saturday July 17 1982

Psychological warfare

THERE COMES a point in any hard campaign wheo those iu comoiand face a difficult choice: to consolidate and settle for what has heen won, or to take the risk of goiug in for the kill, perhaps at heavy cost and for a doubtful further gain. That is the kind of dilemma which is making the whole outtook in the Middle East so questionable at the moment: and though in very different terms, it is also the point we have now reached in the world-wide fight against inflation.

A whole succession of gloomy statistics and sadly revised forecasts has banished the hope of any worthwhile recovery this year, and very possibly in 1983 too. Do we press on with the battle, or call a halt?

This argument has been very much alive in Parliament this week, with some Conservatives joining the Opposition in calling for some move to check the recession—a move also favoured by the Confederation of British Industry. The Governmeot has put up a stony defence against such temptations, and renewed the annual fight in Cabinet for an intensified squeeze on public spending. Only the Bank of England is trying gingerly to discover how far we can escape the influence of Wall Street, and reap the reward of deflation already achieved in the form of lower interest rates.

One reason for this unwanted independence of mind is the hope that the U.S. Federal Reserve is itself preparing to ease the pressure.

Argument

On the labour relations front there is a similar argument raging. The hard-liners in the labour movement are trying to mobilise widespread resistance to the Government policies, especially where these involve shedding labour at a time of very high and rising unemployment.

Some moderate trade union leaders, including Mr Bill Sirs, whose steel workers have already suffered a devastating defeat on this very issue, are trying to push for compromise, assisted by some Labour Party leaders, by Acas, and urged on by much moderate opinion.

However, the British Rail Board, clearly supported by Ministers, whose non-intervention is an eloquent policy in itself, are proving just as unyielding as any militant on the other side. They would rather broaden the hattle than settle it at this stage.

Behind these different attitudes are two very different pictures of what is really going on in the world. The moderates see the problem essentially as one of technical malfunction—difficulties of financial and industrial adjustment following a series of oil shocks and policy mistakes in the past. An adjustment of targets here, of funding techniques there, and a determined but gradual approach to industrial restructuring will slowly but surely take us back to the familiar and far less uncomfortable world of a decade ago.

In the more cataclysmic view, to which President Reagan and Mrs Thatcher subscribe, we are engaged in a crucial battle for the minds, if not the hearts, of everyone engaged in the economy. Money illusion is dead in the financial markets, so that any attempt to spend our way out of recession would quickly run into disillusion and yet higher peaks in interest rates.

Complication

On the financial side, there is a further complication: some experts who are stern disinflationists in the general argument nevertheless urge moderate policies at the moment. They argue that there is no need to carry rigour to self-destructive extremes. Where money supply or money GDP targets are being undershot, there is room for some relaxation within the terms of an anti-inflationary policy.

This proposition may well be tested next week. If the Federal Reserve does indeed disclose some easing of its targets, probably on the grounds that the monetary aggregates are being inflated by savings deposited with the banking system, we will be able to observe a psychological test. If the markets retreat in alarm at this backsliding, then the road to any form of relaxation is indeed blocked; but if, as seems likelier on recent performance, they celebrate, then there is clearly room for some experiment in stimulus.

One factor which may persuade the Fed to relax is the increasing alarm felt in the U.S. about the implications of any longer period of very high real interest rates: this could provoke enough bankruptcies and defaults to undermine some exposed banks. The sterner spirits see nothing even in this argument, and believe that on the contrary some financial failures are positively needed to consolidate the psychology of financial discipline.

As the aptly-named Mr Leland Prussia of BankAmerica said recently: "One of our problems in recent years has been that we have created a system where there can be no failures; but the world doesn't work that way. I think if we get back to a little old-fashioned discipline, we are going to be much stronger."

ITALY'S BANKING SCANDAL

The Vatican connection

By Duncan Campbell-Smith

ITALY'S LATEST, and potentially gravest, post-war financial storm has swept on from the banking parlours of Milan this week and blown unceremoniously into the inner recesses of the Vatican.

A crisis which in recent weeks has threatened the collapse of Italy's largest private banking group has now forced dramatic changes at the Vatican and is confronting the Holy See with huge financial losses, perhaps exceeding $1bn.

It has also jeopardised good relations between Italy and the Vatican state increasing the problems of renegotiating the Lateran Pact. This is the treaty, agreed with Mussolini in 1929, which has governed the relationship between the Vatican and the Italian state ever since. But it formally expired in 1979 and its renegotiation has already proved a thorny problem.

The scandal has been three years and more in the making, and two men have played key roles.

The first is the late Sig Roberto Calvi, chairman of the Milan-based Banco Ambrosiano group. His body was discovered just before the morning rush hour in London on June 18, hanging from scaffolding under Blackfriars Bridge.

Calvi appears single-handedly during 1980-81 to have masterminded a complex funding operation by his group in the Euromarket which eventually put $1.2-1.4bn at the disposal of a group of mysterious Panamanian companies rejoicing in such names as Laramio Inc and Worldwide Trading Inc.

Intense speculation still surrounds both the circumstances of his death and the purpose of his extraordinary financial adventures in Central America.

Few of the most interesting questions can yet be settled, not even the verdict on his death. The British police found a corpse with no signs of physical struggle and no evidence of any other foul play. The Italian judicial authorities, however, remain extremely reluctant to accept that Calvi committed suicide and the Italian press has had a field day exploring every macabre detail of his bizarre death.

Where the financial adventures are concerned, though, one important detail is now established. Calvi's group lent its Euromarket funds to the Panamanian companies only after receipt of crucial letters of support for the borrowers from what may seem an unlikely source—the Vatican State Bank.

This is blessed with the title of Institute for Religious Works, or IOR after its initials in Italian. The IOR wrote letters of comfort, in banking parlance, to two Ambrosiano group subsidiaries in Lima, Peru, and Managua, Nicaragua, which were responsible for making the direct loans into Panama.

The letters confirmed that the IOR directly or indirectly controlled the Panama companies and was fully aware of their borrowing activities.

Two key figures: the late Roberto Calvi (left), chairman of Banco Ambrosiano, and Archbishop Paul Marcinkus

The chief architect of this Vatican support—and the second key figure in the whole scandal—appears to have been Archbishop Paul Marcinkus, the head of IOR and until recently one of the directors of an Ambrosiano group subsidiary in the Bahamas.

The archbishop, son of a Lithuanian-born Chicago window cleaner, is a colourful figure. His nicknames include the Gorilla in Vatican circles—he is broad-shouldered and well over 6 ft tall—and God's banker in the popular press.

He has been president of IOR's board of directors since 1971, steering its through an eventful decade. In particular, the IOR found itself involved in the collapse in 1974 of the huge financial empire of Michele Sindona, the Sicilian banker subsequently imprisoned in the U.S. on counts of fraud and conspiracy.

Sig Luigi Mennini was Marcinkus's deputy at the time of the Sindona crash, which is now estimated to have tost the Vatican about £30m. Mennini himself was briefly imprisoned during investigations into the Vatican's links with Sindona. But the burly American archbishop stayed at his post and emerged from the investigations apparently unscathed.

Opinions seem to have long differed about Marcinkus's aptitude for the job of principal banker to the Vatican. It was learned this week that prominent bankers in London, Switzerland and West Germany suggested to a senior Vatican official some time ago that Marcinkus was not an entirely suitable figure for the post. The warnings appear not to have been heeded and Marcinkus has remained a close aide of Pope John Paul II, often appearing at his side during the Pope's foreign travels.

Disclosure of IOR's activities in Panama, however, has brought an abrupt change. The Vatican has now, in effect, set aside the whole of the existing board of IOR and has brought in three independent financial experts to investigate its links with the Ambrosiano group.

There can be little doubt that this reversal for Marcinkus follows intense presure from the monetary and diplomatic authorities of the Italian state. The monetary authorities, in particular, have been alarmed by the turn of events in recent weeks.

The Bank of Italy wrote to Calvi requesting details about his group's Latin American loans on May 31. The letter set off a sequence of disasters which very nearly led to a total withdrawal of financial support for the Ambrosiano group by the international banking community—with dire implications for Italy's whole credit standing in the international markets.

Of all these disasters—Calvi's disappearance on June 10 and a collapse of share prices on the Milan Stock Exchange, the Ambrosiano board's inability to continue unaided without him, his secretary's suicide and Calvi's own extraordinary death on June 18—none was more damaging than a steadfast refusal of the IOR to acknowledge its involvement with the Ambrosiano group loans.

Archbishop Marcinkus simply declined for several days to make any public statement at all. In an avalanche of Italian press comment, the belief quickly took hold that IOR was accepting responsibility for only a minimal part of the $1.4bn sum.

Several international banks, which in recent years had watched Ambrosiano's growth, judged it a little too rapid and stayed well clear, felt themselves vindicated.

But for the banks which had lent it Euromarket funds—including National Westminster, the Midland and some 250 others in the $1.4bn operation alone—even the wildest rumours must have looked uncomfortably near the mark. Within days of Calvi's death his group was on the brink of collapse.

Banco Ambrosiano's head office in Milan is a faded pink building in the Piazza Paolo Ferrari. On the other side of the tiny square are the stage doors of La Scala opera house and to one side the Teatro Accademia dei Filodrammatici. But neither of the theatres could have competed in recent weeks with the drama going on behind the doors of their banking neighbour.

> A complex funding operation which put $1.2-1.4bn at the disposal of a group of mysterious Panama companies

First, the commissioners appointed over the weekend after Calvi's death had to win a breathing space in which to clarify the exact nature of the problems confronting the group.

They requested all the creditor banks to keep a discreet silence in public and to hold off any pressure for immediate repayment in private.

Next, the commissioners set about finding a suitable Italian crew for a lifeboat to rescue the parent bank, Ambrosiano Spa, in Milan.

How much of a press gang was required from the Bank of Italy is far from clear. But six recruits were found, three of them private banks like Banco Ambrosiano of full-blooded Lombardy stock: Banca Popolare di Milano, Credito Bergamasco and Banca San Paolo di Brescia.

Banco Ambrosiano in Milan had funded approximately just over half of the $1.4bn dispatched to South America. Other purchases by the bank in the interbank market to support more normal banking activities amounted at the end of June to a further $700m.

The commissioners have now arranged that all of these funds—about $1.5bn—will be repaid to overseas banks immediately they mature. Replacement funds will be provided by the six lifeboat banks.

No such short, sharp remedy, however, availed itself for parts of the Ambrosiano group outside Italy. The Italian banking community clearly felt that to bail out group subsidiaries in Luxembourg and Nassau risked too much association with Ambrosiano's misdemeanours.

There was the added complication, an important one, that Banco Ambrosiano Holdings in Luxembourg is not a wholly-owned subsidiary—just over 30 per cent of its bearer shares are held by unknown investors.

The commissioners looked hard for sources of cash with which to repay the $600m raised by subsidiaries in both the interbank market and the syndicated credit market. A number that they would be interested that htey would be interested in discussing a purchase of the Luxembourg company's 45 per cent equity stake in the Lugano-based Banca del Gottardo, for example.

But it was evident that such measures alone could not suffice. The commissioners saw only one sure way to resolve the group's crisis—the repayment of the Panama loans by IOR.

Having reached this conclusion, they made it clear from the outset of the talks with Archbishop Marcinkus that the Bank of Italy required nothing less from IOR than acceptance of its responsibilities for the Panama loans in their entirety. A total reimbursement of the $1.2bn-$1.4bn was demanded.

The legal basis of this demand—the exact legal obligation, that is to say, laid upon the Vatican bank by its letters of comfort—is extremely uncertain and looks likely to preoccupy a great many lawyers for some time to come.

It was evident by the beginning of this week that some bankers to the Luxembourg company were reluctant to await the outcome of the legal debate. Caught between pressure from them and the initial intransigence of the IOR, the commissioners turned to the courts to have the balance-sheets of the Luxembourg and Nassau companies frozen for 90 days.

The freeze itself, however, may entail its own legal complications. On Thursday, the day the freeze became public, Midland Bank announced that it had called the Luxembourg company into default as early as Monday over a non-payment of interest on a $40m syndicate.

By that night, the manager banks of at least four other main syndicates to the Luxembourg company had all followed suite. The timing and effect of the freeze could now pose awkward problems.

All of which leaves some serious questions still unanswered.

How was it, in the first place, that a single man at the head of a major banking group could conduct its multi-million dollar affairs in a manner so breathtakingly autocratic that even his fellow board directors seemed to have had little inkling of what was going on?

Second, what is now to happen to IOR and to the individuals who have managed its affairs in recent years? It is less than two years since the bank was greatly embarrassed by the Sindona trial.

But, above all, what was the end-purpose of the whole Panamanian escapade hatched by Calvi and Marcinkus?

"A lot of Chinese boxes" is how the three commissioners in Milan rather cryptically describe the mystery companies in Panama. Marcinkus's IOR may have stood behind their borrowings, but nobody appears to know who owns them, much less what they have been doing with their lavish funds.

There is widespread speculation that IOR may itself own some at least of the companies and that it may have used them to acquire shares in Italian companies, including the Ambrosiano group.

It is even possible that IOR by this route holds some of the anonymous 30 per cent equity in the Luxembourg holding company, leaving the Vatican with far more of the Ambrosiano group under its control than is suggested by IOR's published 1.58 per cent holding.

Sig Giorgio Nassano, the general manager of the Banco Ambrosiano Andino in Lima, was revealing nothing this week. The group's affairs, whether inside Peru or outside, he said, were "a bank secret."

Letters to the Editor

Vote on CCA

From Mr S. W. Penwill

Sir,—From the conversations I have had with industrial managers it would seem that management does not need Current Cost Accounting to tell it that it costs more to replace worn-out machinery than the historical cost of that machinery, or that it costs more, sometimes less, to replace materials consumed in manufacture or trade.

I personally examine up to 300 sets of accounts of listed companies each year and have yet to come across one where the board has stated that dividends have been reduced because they were not covered by the CCA adjusted figures.

Obviously CCA is a warning to investors that historical accounts are not the true and fair view of reality that the auditors state them to be, but then neither are Current Cost Accounts.

Perhaps some form of warning attached to historic accounts such as "WARNING—these accounts are subject to inflation and to rely on them could ruin your finances" would be just as adequate.

As in the Government imposing a form of inflationary accounting on companies, this is hardly likely when the Inland Revenue have such regard for CCA that it will not accept CCA for tax purposes.

I think a large number of members of the Institute would be quite happy to see SSAP 16 remain for the balance of its trial period merely as a warning on a non-mandatory basis, but they are unfortunately faced with having to make a clean "for or against" decision and, in view of their lack of faith in the present system, must therefore vote against CCA.

S. W. Penwill.
London International Press Centre,
76, Shoe Lane, EC4.

In money terms

From Mr A. D. Blake

Sir,—Mr Richard Allen correctly defines the purpose of published accounts as being to enable the shareholders to evaluate management performance, but he is quite wrong when he says that CPP "bore no relevance to the needs of shareholders."

A shareholder is interested in the value of his investment. That value depends upon his ability to transfer it at will and, at the end of the day, to convert it to cash.

A system of accounting which reports the effect of management performance on an investment only on the condition that the investment stays where it is (which is the effective result of CCA) is of no real use to the investor. What he needs is a measure of his investment in general terms, i.e., money. When inflation is minimal, historical cost accounting performs this function perfectly adequately. When it is not, a means of adjusting for the change in the measuring rod is necessary. CPP is such a system, CCA is not.

A.D. Blake.
35, Longdown Road,
Little Sandhurst,
Camberley, Surrey.

Teletext hopes

From Mr Colin McIntyre

Sir, — Your correspondent Louise Kehoe paints an unnecessarily gloomy and muddled picture of teletext in the U.S. ("Setback for British teletext hopes," July 13). Did she fail to "look over the mountains" from her California fastness, and thus miss not only VIDEOTEX '82 in New York, but also the whole point about teletext?

Those who have never seen a full public service still seem obsessed with the wearying graphics standards battle. Teletext — and videotex — is about facts: words, figures, information. You don't need a picture of a horse to read racing results, nor a view of cotton fields to understand cotton futures.

Of course the big battalions of NBC and CBS are wary of starting teletext, or videotex, or anything else that will break their hold on viewers' time — which is in far shorter supply than money.

Teletext flourishes among the independents and on cable, in local areas and one city broadcasting centres. Louise Kehoe forgot to mention that British-style teletext is up and running in Chicago and three other towns, and will be available this summer to 19,000,000 cable viewers in the U.S. Just back from a National Computer Graphics conference in Los Angeles as well as VIDEOTEX '82 in New York, I can report that what impressed the Americans was our total of well over a million teletext sets in Europe, and a working public videotex service in Britain's Prestel.

As Richard Hooper, British Telecom's Prestel supremo, pointed out, it was nice to see the same American PLP (Presentation Level Protocol) handouts at VIDEOTEX '82 as had appeared in Toronto a year earlier. Would they be dusted off once again for VIDEOTEX '83, while the rest of the world and Middle America broadcast what should now be known as Standard Teletext?

Colin McIntyre.
47, Smith Street, SW3.

Entrepreneurs

From Mr Colin J. Dauris

Sir,—While I agree completely with Mr R. B. Smith's sentiments (July 14) about faceless funders, I regret that he has been led into slight exaggeration by his pride in the achievements of the North West. These are many, but among them is neither the pioneering of innovation nor the invention of entrepreneurs.

When the ice sheets had hardly retreated from Preston, entrepreneurs (who else?) well in the south-east invented pottery, spinning and weaving, all of which gave the entrepreneurs of the industrial revolution in North West England something of a start. And there was further help from other innovations and inventions made during the intervening eight thousand years or so, such as the redoubtable wheel.

C. J. Dauris
3-7, Drysdale Street, London W1.

Buying policy

From Mr Tom Critchley

Sir,—I found the Kransdorff/Sheridan article on buying (Management Page, July 14) most refreshing and hope that it may encourage more companies to take a closer look at the way they organise their affairs in this vital area of management.

However, to talk of buying in isolation fails to recognise the more dramatic profit improvements that can arise as a result of pursuing a total supply policy.

David Sheridan claims a 4 per cent edge on "competitors/fellow professionals" but commendable as this is it pales into insignificance when compared with the much higher savings that can be achieved by allowing one senior company executive to have total control over all aspects of the supply chain. This means a real commitment at Board level to ensure that the supply function (including buying) enjoys first-line reporting status within the organisation and perhaps more importantly has staff of the right calibre, training and motivation to achieve measurable and meaningful results in areas such as inventory and materials management, bought-in services and utilities, transport and distribution, logistics and resource utilisation etc.

Tom Critchley.
40, Edinburgh Gardens,
Kings Road, Windsor.

HP for cars

From Mr H. Gilligan.

Sir,—I read with considerable interest your article (July 9) "Motor Trade prepares to lobby over Hire Purchase." Mr Griffiths states towards the end of his article that the Treasury is not likely to greet the demands for easier credit with any enthusiasm because of difficulties in controlling sterling bank lending to the private sector. Mr Griffiths does, however, rightly point out early in his article that the motor trade has been selected by the Government for these tough controls over hire purchase which do not in fact apply in the finance of other consumer durables.

To a large extent, Sir, I would suggest that much of the borrowing would simply be a replacement, ie, the motor trade has to finance large stocks of used cars (and also for that matter of new cars) and these to a very large extent are financed by borrowing from banks or finance companies. If hire purchase terms were eased then stocks, particularly of used cars, would be reduced, and this surely is a very important factor, ie, that if only hire purchase controls were eased on the sale of any car which had been registered for more than one year, then a great part of the present penal burden on the motor trade would be eased.

Another important point surely is that a greater demand for used cars would reduce costs on industry. On the present size of the UK car market industry is probably selling off at least 800,000 used cars a year and the easing of hire purchase terms could well mean improved prices of even £30 or more per car—so reducing the cost to industry of providing essential transport to their staffs. There is no real justification for any continuation of these tough hire purchase controls on the motor trade—let us hope that the campaign by the SMM & T and Motor Agents Association will bring early relief.

H. Gilligan.
County Garage,
PO Box 29,
Hardwicke Circus, Carlisle.

Accounting for what?

From Mr R. Cowe

Sir,—P. H. A. Kenyon (letters July 7) uses an example to support his argument for current purchasing power accounting which illustrates beautifully why we need some form of accounting for inflation like the existing accounting standard SSAP 16.

Kenyon complains that in a year of no general inflation a chocolate manufacturer would have to make adjustments to historic cost accounts if the price of cocoa had fluctuated.

This is precisely what is required, if the performance of the company is to be reflected in the accounts. Kenyon's assertion that investors are only interested in whether earnings have kept pace with general inflation is remarkable. Surely investors must be interested in the performance of the company, not simply whether it has managed by some fluke (like changing cocoa prices) to beat general inflation. On that basis, the company could be deteriorating but the investor could be reassured by an apparently improved performance.

That might be what company chairmen would like to be able to get away with, but they should not be allowed to do so.

Roger Cowe.
Deputy Editor,
Accountancy Age,
34, Hackford Road, SW9.

What's in a name

From Mr J. T. Wallace

Sir,—Mr House is reported today (July 7) as suggesting to the Stansted Airport Inquiry "Remote Stations" would solve the need for further airports in the South-East of England. The Victoria city centre station has been closed so I presume he is thinking of locations close to motorways. An obvious choice would be the M11 north of the M25 intersection. Near the Bishop's Stortford A120 interchange would be ideal as it is only 30 miles from London. It may come as a surprise to Mr House that the vehicles that he has in mind to transport the passengers have already been designed in a variety of sizes. They are extremely fast, will be quiet, are air conditioned, customs secured and have WINGS. They do need a 3 mile length of concrete but this has already been installed at the location I have in mind.

These vehicles some of which have BRITISH painted on them may only wish to go to Heathrow but others could go direct to other "Remote Stations."

Would Mr House support the BAA application if they change their application to a 15m capacity "Remote Station?"

J. T. Wallace
90-96 South Street,
Bishop's Stortford, Herts

With the birth of Britain's new Channel Four imminent, **Arthur Sandles** counts the cost

The rush to get the show on the air

CHANNEL FOUR, the most controversial and expensive new broadcasting project in Britain since ITV started, goes on the air in four months time. As far as its initial form is concerned the die is now cast. With a full first-year's programming in the bag, and most of the initial budget spent or committed, Channel Four stopped commissioning or buying new material last month.

When the Channel's stark numerical logo first pops on our screens in November more than £100m will have been pledged to get the show on the air. Already the arguments are starting over whether the money has been well spent.

The Fourth Channel was envisaged as long as two decades ago. For years UK television sets have had at least one spare button awaiting its arrival. The arguments of the seventies were over the form it would take. Many favoured an educational channel; the advertising world wanted a completely new competitive outlet for its wares; and the ITV companies wanted to own it outright.

In the end the decision was for a channel which is semi-detached from ITV. It is separately controlled but closely allied to the present commercial companies, and expected to work in tandem with ITV-1, but not subjected to its will. The ITV companies will pay for its operation with an annual subscription, and then sell advertising area by area, in order to recoup those payments. Some areas have produced rate cards for these sales, some have not.

The Channel Four personnel themselves seem almost relaxed as their corporate ship rests in the calm before the inevitable launch storm. But there are lots of knives being sharpened. Most noise is being made by the advertising industry, alarmed by a lack of public awareness of the new project; concerned about the planned method of researching audience reaction; and up in arms because of confusion over advertising prices.

Independent producers of television programmes are deep in argument with Channel Four about contracts—many of which remain unsigned, even though work is going on. The independents allege the Channel is financially squeezing many small production houses far too hard.

Meanwhile, the established ITV companies are not over-enthusiastic about the way their negotiations with Channel Four have gone.

The Channel's money and organisation man, managing director Mr Justin Dukes, is regarded as either extremely tough or naive about the working methods of the industry, depending on whom you talk to.

Secrecy still surrounds the first week of the Fourth Channel's programmes—including the actual start day. This stems from worry about what the BBC is going to do to blunt the promotional impact. Auntie is not sluggish when it comes to little irritating ploys, like scheduling a major film on Channel Four's opening night.

"I used to think, no, the BBC would not be so petty. It's beneath them," says Four's Liz Forgan. "But now I'm not so sure." Forgan, the senior commissioning editor in the crucial field of current affairs, has already seen her plans to run a political reviewing programme quickly followed by an announcement from the BBC that it intends to do the same.

As far as public awareness is concerned, the Channel argues that there is little point in doing a major campaign in July and August for something which cannot be seen until November. Instead, we will be faced with a block-busting promotional effort in the final run up.

Money has been a constant problem for Channel Four. Its £104m starting budget, which includes £49m up-front from the ITV companies and the rest borrowed from the Independent Broadcasting Authority, provides for an average of about £30,000 an hour to be spent on programmes. This is probably half what ITV-1 spends and a third or so below BBC levels of programme investment.

The first result of this low budgeting was a near boycotting of the Channel by the ITV companies arguing that the fees paid by Channel Four would not cover their production costs. Months after dozens of independent (non-ITV) programmes had been commissioned ITV and Four were still arguing. The row has been partly resolved. Some £46,000 an hour is the reported average for programmes coming to Four from Thames and London Weekend, and £40,000 an hour from the new ITV contractor Television South.

The independent sector will get rather less than this on average. The Thames fee is relatively high because it is heavily weighted with the costs of producing drama programmes. TVS is doing rather more in the way of documentaries. The independents will be providing a large amount of low-cost programming, such as ethnic shows (including a much discussed reggae slot), although there will be independent drama productions.

The overall average cost is also brought down by purchases of old ITV shows, old Hollywood films, old American television programmes (I Love Lucy among them) and foreign language films.

Trevor Humphries

Channel Four's chief executive Mr Jeremy Isaacs "All we can do is our damnedest."

Sport is also cheap and Four has done a deal with the basketball authorities which Mr Jeramy Isaacs, the Channel's chief executive, hopes will be its equivalent of rival channels snooker and show-jumping—esoteric pastimes which have suddenly grabbed the public imagination.

Mr Isaacs has proved to be remarkably successful as a leader of corporate troops, whatever the public might say eventually about the style of the network. There are no hints of disloyalty among his ranks.

This is hardly surprising since the appointment of senior programming staff seems to have been done on a highly personalised basis. Mr Isaacs appears to have done his own head-hunting and then given his recruits their head. Isaacs' summonses came to the chosen few (three senior commissioning editors, two film purchasers, and 11 commissioning editors) "out of the blue."

The first editorial appointments came two months before the senior administrative post was filled by Mr Dukes (who joined Channel Four from his post as joint managing director of the Financial Times). Even in the past few weeks the Channel has been advertising for accountants to monitor Four's programme expenditure.

Around 500 programmes have been commissioned from independents, a further 300 commissioned or purchased from ITV, and hundreds more old films have been acquired. But the number of contracts actually signed is far less.

In one or two rare cases this means that programmes have been completed for the Fourth Channel on the basis of a written commissioning letter. Stage payments from Four have been made on a regular basis, without any agreement on the contractual fine print.

Time has forced this somewhat unusual arrangement upon the parties concerned. In the absence of an understanding Four would not get its programmes and the producers would not get their work.

Months ago the independent producers formed themselves into an association to negotiate with the Fourth Channel and the unions. Pretty well everyone involved in work for Channel Four outside the ITV companies has joined. The chairman is Mr Michael Peacock, formerly of BBC-2, who now runs a major independent production house, Video Arts Television. Members range from tiny one-person bands to established companies like the Pearson Longman offshoot Goldcrest.

So alarmed was the organisation, the Independent Programme Producers' Association, over the standard Channel Four contract that recently it sent all members a critique of it by a lawyer-member, Mr Simon Olswang. The Olswang report is now repeatedly thrust under the noses of Channel Four executives as they wrangle over contractual details.

Much of the difficulty arises over the fact that both sides place great store on the value of what the trade calls "residuals." In effect this means the rights to such activities as cable television, video cassettes, books, overseas sales and merchandising (the money you get in royalties from dolls, models and soaps with some television character's name on them).

With some spectacular exceptions—Upstairs Downstairs, Survival and The World at War among them—past evidence is that residuals are not the crock of gold that some may think. On a turnover of £500m last year the BBC managed to gross only £16m from its entire commercial activities.

However Mr Dukes and his programme-makers feel that with so much new technology about to burst upon us the scene will change dramatically. Thus the arguments.

At the end of the day, however, all this could prove transitory. Everyone will be happy if the Fourth Channel achieves its hoped for 10 per cent of the UK television audience; if it gets close to the £100m a year it needs to generate in advertising revenna; if it proves reasonably popular with both critics and public; and if the present purchasing mix from ITV companies, the independent sector and film industry archives is maintained.

Those are, of course, a great many ifs. There are bound to be considerable regional variations in viewing levels. If BBC-2's viewing pattern is repeated, this could mean considerable audiences in the South and South East and very few indeed in Ulster. Then the Channel will be faced with changing its programming to even out the lows and highs, or dropping some of the minority shows which appeal to those regions which hardly watch anyway.

The biggest "if," however, will remain money. The advertising world has long argued that 1983 will not see Channel Four generating the 12-15 per cent increase in advertising revenue, above inflation rates, that is needed to finance the project. "If" the ITV companies do not cover their Channel Four subscriptions by advertising revenue, they will strongly resist any rise in the Channel's budget, and thus reduce their own ability to provide programmes for it. Then the agonies for Mr Isaacs and Mr Dukes would be considerable indeed.

Mr Isaacs is confident, but not over-confident, about the Channel's prospects. "I am well aware that there are banana skins over every inch of the pavement. But I am not losing any sleep. All we can do is our damnedest."

But we will all be able to make our own decisions when the first programmes go out in November. Perhaps Fireworks Night would be ideal.

Weekend Brief

Whose heads will roll?

If Michael Fagan had looked at even the abbreviated list of members of the Queen's 346-strong Household which appears in the Civil Service Year Book, he might well have thought better of scaling the walls for an unannounced dawn levée with Her Majesty.

The sabres rattle as you turn the page. There is the Master of the Horse, the Gentleman-at-Arms, the Yeoman of the Guard, the Serjeants-at-Arms, the Royal Company of Archers and even, should the campaign be a long one, Apothecaries and Serjeant Surgeons to tend the sick and enough Deans and sub-Deans to raise the odds for a successful passage in the hereafter.

So an understandable air of depression hangs over the nation with the news not only that the Queen's bedchamber has proved accessible to an unarmed, bare-footed intruder who by one account prepared for the assault by drinking whisky and Coca-Cola, but that his bizarre mission may well have been facilitated by a palace police work-to-rule.

A nasty business is made worse, of course, by the suspicion that had not the Daily Express enjoyed its first major scoop for many a year, we might not have had a dazed Mr William Whitelaw on the floor of the House of Commons telling us how shocked and staggered he was at the news.

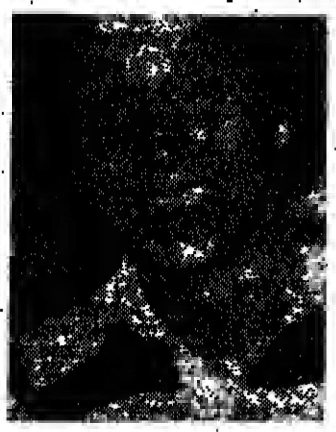
Fleet Street, having proved more effective than the palace's security system, has naturally therefore felt itself entitled to lead the lynch-mob. The Daily Express thinks Mr Whitelaw should go, but then the Daily Express has thought that all along, because Mr Whitelaw is a softy on law and order.

The Times, nothing if not decisive these days, has called for three resignations within 24 hours of the awful news being confirmed. The Lord Chamberlain, the Master of the Royal Household and an un-named "chief superintendent of the palace police" were top of the paper's hit-list.

Some MPs, however, would prefer to see the heads of more important policemen on spikes. Sir David McNee, the Metropolitan Police Commissioner, about to retire anyway, is favoured in some quarters. Others have their eye upon Commander Michael Trestrail, the 51-year-old head of A1 division which looks after royal security, and who was Prince Philip's bodyguard before his promotion in 1973.

The Financial Times is not able to forecast who among the principals of the cast, as opposed to the chorus line of hapless police constables, will in the event resign, but it can suggest a few members of the household who will not.

Take Lt-Col Hugh Brassey, for example, head of the Yeoman of the Guard, a company formed by Henry VII and for five centuries since then the monarch's personal bodyguard.



Michael Fagan

Col Brassey, 66, commands a company of 82 men, but they seldom assemble. The colonel's own role is really ceremonial — he was in one of the coaches at last year's Royal Wedding — although as he points out, you never know these days when something might happen to convert ceremony into real action.

Anyway, he is definitely not to blame for the intruder. Speaking from his farm in Malmesbury, he said: "It seems to have been an appalling breach of security, but I only know what I have seen in the papers."

Much the same goes for the Gentlemen-at-Arms, a swankier gang formed by Henry VIII, who thought the rustic yeomen were a touch infra dig, and who are led by Sir Henry Clowes (Eton-Sandhurst, shooting and fishing).

Even less use in a fight, if they will forgive the comment, are the Captains of the Gentlemen and the Yeomen, Lords Denham and Sandys respectively. These captaincies are mere political titles for the Government's Chief and Deputy Chief Whips in the House of Lords.

Less secure in the inquisition, certainly, is Vice-Admiral Sir Peter Ashmore. He is managing director and chief executive—his title is Master of the Queen's Household—which he has run with self-effacing efficiency since 1973, when perhaps he realised he was not going to get as far as his brother Edward, who is an Admiral of the Fleet.

Sir Peter, however, has a reputation as a survivior. He came out alive from a sinking destroyer in World War II and has long-standing royal connections, going back to his job as naval equerry to King George VI.

Chairman of the board at the palace, or Lord Chamberlain, is Lord Maclean, the former Chief Scout, and who was understandably choleric the other evening when a reporter cornered him at a Baden-Powell House reception with the words "Be Prepared" on his lips.

Lord Maclean, known as "Chips" to his friends, has his office across the Mall, at St James's Palace and is there "most days," according to palace officials. He also has a castle on the Isle of Mull and a coat-of-arms which, unhappily, features "an ostrich with a horse-shoe in its beak proper," according to Debrett.

The word in palace circles, however, as an impartial observer might expect, is that the police are to blame.

Updating English usage

A new edition of the Concise *Oxford Dictionary* thumped off the press this week: seventh in a line "concerned with giving information about the things for which words and phrases stand only so far as correct use of the words depends upon knowledge of the things."

There's fine Fowlertalk for you: from the Preface to the First edition of 1911. Doctor John Sykes, scientist, shy polymath, and lexicographer extraordinary, who edited the radically revised Sixth edition (and this one), reaffirms our continuing debt to the Fowlers, H. W. and F. G., and to successive editors of a dictionary now reckoned to pack more information per page than any competitor in England or America. There are some fascinating changes here: proper ones, as the restless ocean of English shifts through the tides of the late 20th century. There is one ingenious new feature: "D" and "R".

Concise remains best-selling sibling in a family whose members include *Shorter*, *Pocket*, *Mini* and *Illustrated*. Its strength is Oxford family strength: Dr Bob Burchfield's *Dictionary Department*'s unparalleled collection of printed evidence about words; the patriarchal *OED* (13 Volumes, plus *Supplements A* to—so far —*Scz*); a worldwide network of wordsmiths, lovers of language, nags, and scolds.

Once again the definitions of many words throughout the Dictionary have been revised and improved; and new cross-references *added*, to help us find compounds or phrases based on more than one significant word. ("Russian roulette," for example; and "play for safety".) Once again Mr A. L. Babcock of Summit, New Jersey, is thanked for his "frequent and interesting" contributions. (Mr Babcock has been sending them since 1972.)

In acknowledgement of torrents of letters from members of the public beating their breasts over new uses or misuses of words read and heard in these slap-dash, non-prescriptive times, the dictionary comes up with a beautifully simple device to help pacify purists. The letter D in bold type beside a word stands for "disputed use." "Anticipate"—which does not mean, but is often used to mean, "expect"—carries a D. So does "kilometre," when used with stress on its second syllable. *Sadly, perhaps inevitably*, "hopefully" gets a D. (Delta minus, Oxford. Some of us would like to see that cuckoo pushed out of the nest altogether.)

Another signpost letter, R, appears against certain works to indicate that these are "racially offensive": words like "coon," "dago," "Jap," "mick," and "Yid." "Wop" is let off with the familiar 'sl.derog'; but woe and R betide us if "wog" slips out between teeth or typewriter. (Note "oops"; interjection (colloq) of surprise or on making obvious mistake.)

At the same list price as the Sixth edition of 1976, with slightly thicker paper, many more words, and 20 blank pages for notes before pestering the Dictionary Department, *Concise* is the best book buy of 1982. Alright? No. All right.

The Concise Oxford Dictionary, Seventh Edition, edited by J. B. Sykes. Oxford University Press, £7.75, 1,264 pages.

Soccer's black business

South Africa is supposed to be mad about rugby, yet curiously enough the statistics show that nearly five times more adults in the Republic play soccer than rugby. The explanation is racial: rugby, by and large, is a White game, but soccer is Black, and in the last five years their professional game has become big *business*.

No wonder that South African Breweries (SAB) has cheerfully guaranteed the present tour by a team of world soccer stars who played their first game in Cape Town last night amid much international recrimination.

Beer is also big business in South Africa, and SAB—a Rand 1.4bn conglomerate whose subsidiaries include OK Bazaars and Southern Sun Hotels—has a 100 per cent brewing monopoly. But although consumption has been booming, South Africans are still far down in the world beer drinking tables, with a per capita input or down-put, of about 30 litres a year compared with over 120 litres in Britain. The explanation, again, is racial—the Blacks' thirst for "White" beer is only just being developed. So the SAB marketing men have put together soccer, beer and blacks and come up with a Rand 1.8m guarantee for the six-match tour.

"SAB Internationals—brought to you by Lion Lager" the full-page adverts proclaim.

This does not mean that SAB is putting up the whole sum. The budget for the tour is R1.788m, including fees, travel, etc., and the revenue (mainly from gate receipts) is budgeted at R1.715m. SAB is prepared to cover the R73,000 shortfall and also to underwrite any additional losses.

It sounds cheap at the price, but there is a risk area. SAB also underwrote the controversial cricket tour last March by "Boycott's Dirty Dozen" which, in commercial terms (as well as in quality of cricket) was a flop — although SAB will not put a figure on the losses.

Still, SAB has been getting enormous exposure. The (largely black) soccer fans seem more likely than their (mainly white) cricketing counterparts to turn out on the terraces to see the visitors run rings around the local Kaizer Chiefs, the Orlando Pirates, the Moroka Swallows and the rest.

SAB is already the biggest sports sponsor in South Africa with a R1.5m budget (of which R300,000 already goes to soccer excluding the present promotion), while another R3m is spent on education and welfare spoosorsbip, mainly in the Black communities.

"Ninety per cent of our consumers are either sports followers or players," says Mr Peter Savory, SAB general manager (marketing).

After all, the beer division contributed R75m of 1981-82 post-tax profits of R215m.

And if the soccer tour doesn't live up to budget?

"How do you put a finite *figure on goodwill?*" *asks* Mr Savory.

Contributors:
Ian Hargreaves
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Economic Diary

TOMORROW — Department for National Savings' monthly progress report for June published. Tolpuddle Rally.

MONDAY — Industrial and commercial companies capital account and net borrowing requirement. Provisional figures for June retail sales. Start of three-day National Health Service strike. Milk Marketing Board publishes annual report and accounts. EEC Agriculture Ministers start two-day meeting, Brussels. Two-day meeting of EEC Foreign Ministers begins in Brussels.

TUESDAY — Department of Employment published provisional figures for unemployment and unfilled vacancies. Polling day in East Galway by-election. EEC Fisheries Ministers start two-day meeting in Brussels.

WEDNESDAY—Cyclical indicators for the UK economy for June. Institutional investment for first quarter. Department of the Environment publishes details of new construction orders for May. Confederation of British Industry monthly council meeting, Centre Point, London. Lord Belstead, Foreign Office Minister, visits Gibraltar.

THURSDAY — Second quarter figures issued for public sector borrowing requirement and details of local authority borrowing; and for preliminary estimate of consumers' expenditure.

FRIDAY—Department of Transport publishes June figures for new vehicle registrations. Department of Industry issues April figures for sales and orders in the engineering industries. Inquest on Italian banker Mr Roberto Calvi, found dead at Blackfriars Bridge. Prince Philip visits Army Air Show, Middle Wallop.

HME lower at year end despite final quarter rise

FOR THE year ended March 31 1982 trading surplus of Harrisons Malaysian Estates (HME), which is 80 per cent owned by Harrisons and Crosfield, has declined from £17.29m to £14.67m. At the pre-tax level, profits were down from £23.23m to £22.57m, although final quarter figures were some £1m higher at £5.01m.

As forecast in June, a second interim dividend of 5.5p net per share is being paid making a total for the year of 8p. Last year, payments amounted to 11p but included a special 3p.

It is expected that the formal documents in respect of the announced Scheme of Arrangement proposals for the introduction of Bumiputera participation will be posted on July 28, together with the report and accounts. The proposals involve the acquisition of the whole of the capital of HME by Harrisons Malaysian Plantations Bhd.

Turnover of HME for the year slipped back from £59.8m to £58.95m. Trading surplus was split between: rubber £0.61m (£3.09m) or 4 per cent (23 per cent); palm oil and kernels £12.84m (£10.01m) or 87 per cent (58 per cent); cocoa £1.11m (£3.05m) or 8 per cent (18 per cent); and copra £0.12m (£0.23m) or 1 per cent (same).

Other income rose sharply from £0.38m to £1.98m, while investment income and associates' share increased respectively from £5.15m to £5.26m and from £415,000 to £566,000.

Tax charge was up from £8.32m to £10.37m, of which £6.71m (£6.42m) was Malaysian and £3.66m (£1.9m) was UK. The increase arose from exhaustion of the high rates of underlying tax, which were available in previous years to reduce the UK corporation tax liability of the company.

After minorities of £59,000 (£105,000) and an extraordinary credit last time of £5.43m, attributable profits showed a reduction from £20.23m to £12.15m.

Stated earnings per 10p share dropped from 8.87p to 7.28p.

Crops harvested in the year were: rubber 37.53m kg (39.36m kg); palm oil and kernels 144,447 tonnes (144,788 tonnes); cocoa 4,183 tonnes (5,716 tonnes); and copra 4,557 tonnes (4,679 tonnes). Crops for the first three months of the current year for rubber, palm products and cocoa are some 10 per cent more than in the corresponding period of 1981.

See Lex

Fobel tops £2m despite UK losses and bad debt

DESPITE HEAVY losses in the UK and a bad debt provision of £875,000, Fobel International, the DIY, electrical and electronics group, has announced a sharp recovery in profits to a record level for 1981 and is forecasting further progress for the current year.

After returning to profit in the first half of 1981 the group has turned in a pre-tax profit of £1,907,276 for the second six months taking the year's total to £2,107,697. This compares with £36,091 for 1980, after a first-half profit of £133,069.

The dividend is being raised from 1.14p to 1.4p net per 10p share, with a final of 1.2p. The directors expect the level of profits in 1982 will allow the dividend to be fully restored to the 2.14p paid in 1979 when profits amounted to £1m.

They report that the improved result reflects a very good performance by the Hong Kong electronics division and a large contribution from the Canadian associate. Despite strenuous efforts they say it was not possible to avoid substantial losses in the UK.

The electronics division is now starting to realise its true potential, the directors state. Growth is continuing well and there is a strong order book. The Canadian associate, Premium Forest Products, performed strongly, and made record profits. However, with a much weaker economy in Canada, Premium will not produce a profit for the first half of 1982.

In the UK some of the losses relate to closures and redundancies and overheads are now lower with a slimmed-down operation. The directors say that this process has continued into this year and will go on until profitability has been restored. All closure costs have been taken above the line which has depressed the UK result considerably.

Prospects for 1982 are for a continued improvement in electronics profits, a reasonably full year for the Canadian associate, after a poor first half, and another loss for the UK operations after further closures and redundancies.

The company has accepted US$300,000 in full settlement of a U.S. court case on the advice of its lawyers. This has necessitated a provision of in the 1981 accounts of $1,504,986 (£875,000) which has been taken above the line as a bad debt

Tax on the year's profits is provided at £375,821 (£6,743). After sharply higher minority interests of £1.18m (£17,286), the attributable balance comes through at £588,989, compared with £2,688. Turnover for the year, excluding associates, was £30.61m (£22.4m).

● comment

Fobel's figures are staggering. The shares jumped 10p to 25½p yesterday and they could well go further next week as the results become more widely digested. After all, the profit is struck after a $1½m (£875,000) write-off above the line and exchange gains only offset about a third of that. The key to the performance is electronics manufacturing in Hong Kong turning out *medium technology* lines such as TV games, calculators, small computers and so on. Not that the shops are full of Fobel electronics. Its output is marketed by large multinational electrical groups under their own names. The other major contributor was the Canadian door manufacturing associate, Premium Forrest. That has since collapsed into *the red in the face of depressed* levels of construction activity. However Premium has taken over one of its major competitors and the other has gone out of business. That should enable Premium to return to the black in the latter half of 1982. In the UK the hotch potch of operations are still loosing a lot of money. In 1981 rationalisation and closure costs ran into six figures and that looks likely to be repeated this year. *So another dull year on the* domestic front with a reduced contribution from Canada. However the electronics side is buoyant enough to allow the dividend to be fully restored in 1982 lifting the yield from 8.3 to 12.7 per cent prospective. Also even with a new Hong Kong factory cash flow should allow big inroads to be made into Fobel's debt — interest charges last year were around £0.7m. The historic p/e is only 7 on the actual tax charge.

BIDS AND DEALS

Anglo-Indonesian in £4.1m bid for Eva

THE Anglo-Indonesian Corporation has come back with a new offer worth £4.1m for the Manchester-based hines and other agricultural equipment manufacturer, Eva Industries.

Whereas Anglo-Indonesian's earlier offer 18 months ago at 40p per share was successfully resisted by the Eva board, the offer of *another 4p per share* appears to have tilted the balance since Mr Roy Astley, chairman, is now accepting these terms.

Anglo-Indonesian, which has been associated with Eva for more than seven years, is offering one 9½ per cent convertible redeemable preference share of £1 and £1.50 nominal of floating rate unsecured loan stock 1985-1988 for every five Eva ordinary shares.

Three Anglo-Indonesian directors already sit on the board and form part of the concert party deemed to be acting with Anglo-Indonesian. The bidder already controls 32.8 per cent of Eva's equity and a further 900,000 shares are controlled by Anglo-Indonesian's partly-owned subsidiary. The concert party's own holdings bring the total up to 42.08 per cent.

Anglo-Indonesian announced at the beginning of last year that it did not wish to acquire all the shares of Eva, preferring it to remain as an independent listed company, working with it especially in overseas markets.

Eighteen months later, the boards of both companies, having worked closely together, have concluded that Eva would operate more efficiently as a wholly-owned subsidiary of Anglo-Indonesian. In addition, the offer "will remove the possibility of conflicts of interest arrising" from the boardroom overlap.

Syltone well ahead at £1.18m

PRE-TAX profits at Syltone in the year to March 31 1982 advanced from £541,000 to £1.18m, on turnover reduced slightly from £16.58m to £15.83m.

A final net dividend of 5.4p is proposed, maintaining the payout for the year at 9p, and stated earnings per 25p share are well up from 9.13p to 24.19p.

At midway this holding company with interests in engineering and wholesale electrical distribution reported pre-tax profits of £681,000 (£319,000), and the directors hope, that profitability could be maintained near this increased level, has been borne out.

Interest payments for the year amounted to £90,000 (£286,000), tax took £535,000 (£234,000) and minorities another £3,000 (nil). Unrealised exchange profits came to £219,000 (£29,000). The previous year saw an extraordinary debit of £56,000.

Attributable profit is put at £862,000 against £280,000, and pre-tax profit on a CCA basis comes through at £822,000 (£142,000).

Bristol Post rises £0.9m: pays bonus

TURNOVER OF newspaper *proprietor*, the Bristol Evening Post, rose by £4.42m to £31.85m for the year to March 31, 1982, while pre-tax profits advanced from £1.04m to £1.95m. At halfway, taxable figures showed a turnround from a restated loss, of £17,000 to a £949,000 profit.

A final dividend of 11.75p, which includes a 3p bonus to commemorate the company's 50th anniversary, raises the total net payment from 11p to 15.75p per share. Earnings per 25p share were well ahead from 10.95p to 20.78p.

The year's taxable profits were split as to:— newspaper publishing and printing £649,000 (£161,000); retail activities £591,000 (£463,000); features and crossword agencies £65,000 (£44,000); transport and vehicle repair £65,000 (£59,000); property rental income £461,000 (£155,000); sundry services £27,000 loss (£16,000 loss), and net interest and dividends received £146,000 (£173,000).

At the attributable level, profits came through ahead from £447,000 to £849,000, after charging tax of £741,000 (£425,000), and minorities of £360,000 (£167,000). There was also an extraordinary debit of £61,000 (£24,000 credit).

The company states that the Silver Street premises in Bristol (book value £250,000) owned by Bristol United Press, in which the parent company has a 50 per cent interest, are currently estimated to have an open market value of approximately £3.25m.

● comment

A year fre of industrial disputes was a major element in the sharp upturn at Bristol Evening Post. A 2p cover price increase at the beginning of the period helped offset some of the weakness in circulation and advertising showed some pick up. A £500,000 a year rent increase on the premises of the 60 per cent newspaper subsidiary Bristol United Press boosted property income at the expense of the 40 per cent holder Associated Newspapers. The Silver Street property was valued 12 months *ago at at least £2m with outline* planning permission and this valuation figured strongly in the company's rejection of ANGs bid as "inadequate." The sharp increase in valuation to £3.25m this time arises from Bristol Corporation, with which land is being exchanged, obtaining vacant possession from its tenants there. The group is currently hopeful of maintaining the recovery to the £2.7m pre-tax level seen in 1979/80. With the advertising market remaining relatively dull the gains will have to come chiefly from the recent price increases and better productivity. Yesterday's much improved results and dividend pushed shares up 30p to a 1982 high of 243p, compared with ANG's 190p cash offer in January last year. Excluding the special payment the yield is 7.9 per cent and the prospective p/e near 12.

SCOTTISH AMERICAN

The Scottish American Investment Co has negotiated a seven year multi-currency loan facility of US$20m with Morgan Trust Co. Drawing facilities now amount to US$25m, of which $10m have now been drawn down.

Tex Abrasives' sharp fall

A sharp fall in the second half, from £149,233 to £42,179, left pre-tax profits of Tex Abrasives well down at £187,245 for the year to March 31 1982 against £278,467 previously.

The directors said at halftime *that they could not predict that* second-half profits would be an improvement on the first-half figure of £145,066 (£129,234).

The dividend is pegged at 3.25p, with an unchanged final of 2.5p. Earnings per 10p share are given as 6.9p (8.3p).

Tax charge was lower at £39,131 (£89,584) and there were extraordinary credits of £31,446 (£218,664).

Turnover increased from £4.83m to £4.94m. The pre-tax figure was struck after depreciation of £94,361 (£92,928).

On a CCA basis, taxable profits were cut to £125,000 (£279,000). The group makes industrial coated abrasive products.

Smurfit-Paribas to get banking licence

Jefferson Smurfit, one of Ireland's biggest industrial groups, and Paribas, the French banking group, have been told by the Irish Central Bank that a banking licence will be issued to their proposed Irish merchant bank — Smurfit-Paribas Bank.

The two companies announced last August that they planned to establish a Dublin-based merchant bank. The venture is intended to be the "foundation of a new group of finance-related companies," says Michael Smurfit, chairman of Jefferson Smurfit.

Under the terms of the licence, the new bank will have an independent chairman and the partners will have 50-50 voting rights. However, Jefferson Smurfit will be the majority partner, providing 60 per cent of the equity and receiving 60 per cent of the profits and dividends.

Mulitone Elect. to seek full SE listing

Multitone Electronics, the London-based manufacturer of communication systems and radio pagers, is seeking a full stock exchange listing.

The company will be making an offer for sale by tender of 3.675m ordinary shares at a minimum price of 120p, which capitalises the company at £18m.

The prospectus is to be published on Monday, with editorial comment, and the application list will open on July 22.

Advisors to the company are Arbuthnot Latham, its stockbrokers are L. Messel.

Hambro Life reports dull new business

VERY DULL new business figures in the first half of this year are reported by Hambro Life Assurance. New annual premiums rose by 9 per cent from £32.8m to £35.6m and single premiums by only 2 per cent from £52.4m to £53.7m.

New initial commissions, the measure of growth used by the company, advanced by 8 per cent from £16.7m to £18.1m. New sums assured were 11 per cent higher at £1.48bn against £1.34bn.

The company's life business was dull over the period. New annual premiums declined slightly from £15.4m to £15.1m, with sales of its whole life contract flat over the period. Single premiums rose slightly on assurances from £36.5m to £36.8m. Its annuity business, mainly on home income schemes, dropped from £12m to £11.4m.

In contrast, the pension business was buoyant over the period. Annual premiums on personal pension policies, mainly for the self-employed, rose 16 per cent from £8.2m to £9.5m, while on executive pension plans, annual premiums advanced nearly 20 per cent from £9.2m to £11m. Single premium pensions business rose from £3.9m to £5.5m.

Business from the company's direct sales force, which accounts for over 85 per cent of sales, improved by 10 per cent despite a fall in numbers of salesmen. But business from intermediaries fell sharply.

Total premium income received during the first six months of this year increased by 15 per cent from £157m to £181m, while total assets at the end of June amounted to £1.53bn against £1.29bn at the beginning of the year.

See Lex

Electronic Rentals' £5.4m for General Telephone

Electronic Rentals Group, one of the leading UK television and video recorder rental companies, yesterday agreed to acquire General Telephone Systems for an initial £4.2m in shares.

ERG will pay up to a further £1.2m within the next two years depending on GTS's profits performance.

This deal takes ERG into the electronic security field for the first time, said Mr Clive Campion, a director. GTS has four subsidiaries all involved in security systems.

The companies are: Birmingham Telephone Company, Caledonian Telephone Company, Emergency Warning Systems and Door Entry Systems.

"We see security systems as an important area to develop," said Mr Campion. "This was behind our disposal of our camping and leisure businesses. We see a convergence of the systems used in the home and office."

Agreement to acquire GTS was signed yesterday and the completion date has been set for July 29. ERG will issue 6,086,957 new shares to fund the initial £4.2m payment.

GTS had adjusted net assets of £2.4m on December 31 and has forecast profits for the current year of £545,000. Talks between another company, Telephone Rentals, and GTS aimed at the acquisition of GTS fell through last December.

Reckitt U.S. offshoot selling wine business

R. T. French, the U.S. food subsidiary of the Reckitt and Colman Group, is negotiating the sale of its Widmer Wine Cellars business to its management for $5m-$10m (£2.9m-£5.8m).

Discussions with a group of Widmer managers, led by the president, Mr Charles E. Hetterich and backed by a number of outside investors, have reached an advanced stage, Reckitt said yesterday.

Widmer produces table wines for sale in the north eastern states. Its best known is the Lake Niagara brand of white wine. Turnover of the company was less than 5 per cent of total R. T. French sales of $250m.

"Widmer paid its way but the wine business was not the most profitable segment of French's business," a Reckitt spokesman said.

The disposal of the wine business is in line with French's marketing strategy of concentrating on packaged foods and household products, but has no implications for the company's wine activities elsewhere.

Investment Co. advances to £496,730

Pre-tax profit of the Investment Company for the year to March 31 1982 was up from £452,370 to £496,730, while gross income rose from £596,821 to £666,559.

The net dividend for the year is maintained at 1.75p per 25p share, and earnings per share are stated at 5.12p (4.37p).

Interest payments took £92,912 (£55,020), tax £156,747 (£149,016) and minorities £2,422 (credit £2,609).

The company's ultimate holding company is New Centurion Trust.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bristol Evening Post ...	11.75†	—	7.25	15.75	11
Fobel	1.2	—	0.19	1.4	1.14
Glasgow Stockhldrs. int	1	Aug 23	0.95	—§	2.35
Harrisons Mlysn. sec int	5.5	Sept. 8	—	8	11‡
Investment Company	1.75	Aug 31	1.75	1.75	1.75
Leda Investment int	1.47	Aug 31	1.47	—	4.45
Syltone	5.4	Oct 1	7.2	9	9
Victoria Carpet	0.15	Sept 22	0.5	0.15	0.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. † Includes 3p special dividend. § Directors hope to recommend 2.4p total for year. ‖ Includes 3p bonus

Cawoods improves to £16.7m for full year

PRE-TAX profits of Cawoods Holdings, which this year became a subsidiary of Redland, have increased from £13.52m to £16.71m for the 12 months ended March 31, 1982, after rising from £5.02m to £5.86m at midway

Turnover for the year improved from £322.06m to £365.73 and trading profits were ahead at £13.8m (£11.7m). Share of associates profits, however, dropped from £680,000 to £460,000.

A divisional breakdown of pre-interest profits of £14.26m (£12.37m) shows: fuel distribution £7.48m (£6.3m) or 52.5 per cent (50.9 per cent); sand, gravel and building supplies £2.63m (£2.83m) or 18.4 per cent (22.8 per cent); road materials and concrete products £1.22m (£1.01m) or 8.6 per cent (8.1 per cent); shipping services £1.34m (£0.94m) or 9.4 per cent (7.6 per cent); packaging £0.36m (£0.29m) or 2.5 per cent (2.4 per cent); refractories £70,000 (£36,000 loss) or 0.5 per cent (−0.3 per cent); and leasing £1.16m (£1.05m) or 8.1 per cent (8.5 per cent).

Interest and investment income totalled £2.44m (£1.14m). After tax £5.35m (£3.16m), minorities and extraordinary items, available profits were some £1m higher at £11.58m.

Stated earnings per 25p share rose from 21.18p to 23.24p. Dividends totalling 9.35p (3.9p) and absorbing £4.54m (£1.89m) have already been paid.

Lonrho joins Atlantic Richfield in oil venture

Lonrho, the international trading conglomerate, is understood to be embarking on its first oil drilling venture with Atlantic Richfield, the seventh largest U.S. oil group.

In one of many business ventures which Lonrho has embarked on with Atlantic Richfield, Lonrho is participating in a drilling operation off Morocco.

Atlantic Richfield has gained the concession to drill for oil and will lead the venture with a 30 per cent participation.

Lonrho has been offered a 5 per cent participation. Another major oil group is expected to take a stake while the National Office for Petroleum Research and Exploitation, the Moroccan government agency, is to hold a 50 per cent interest in the venture.

Lonrho director, Mr Paul Spicer said that the deal, as Lonrho's first oil exploration venture, "was very interesting. We will be paying for our participation." but he declined to say what the consideration would be.

Reynolds Diversified

Reynolds Diversified Corporation, the Nevada-based energy group, said last night that the Stock Exchange quotations committee had requested up to date financial information before it removed its ban on dealings in the securities of the company by members of the stock market.

An up to date audited financial statement has been requested.

Reynolds said "our brokers are seeking clarification of the precise requirements which have to be met before prohibition will be lifted." The company said it had commenced the process of *seting up a register of* UK shareholders in the U.S. to enable UK shareholders to deal in the company's shares on the New York stock exchange through Herzog Heine and Geduld.

The ban on dealings in the shares has been in operation since February.

UNITED NEWSPAPERS

United Newspapers has acquired the Soman-Wherry Press, of Norwich. This private company is a high quality printer and designer of advertising, promotional and publication work.

Soman-Wherry is seen as a *valuable addition* to United Printing Services, the general printing division of United Newspapers.

Results due next week

Lloyds Bank is the first of the clearers to bat in the summer results season. It will be report*ing its interim figures, to the end* of June, on Thursday and the key factor will be whether or not it will make provision against Argentinian loans at this stage.

A year ago the bank took everyone by surprise with a 33 per cent advance in pre-tax profit to £285.6m with the contribution from the international company up from 39 per cent to 47 per cent. But when LBI turned in its halftime results to the end of March this year profits were up *only £2.1m to £32.7m* and the board had not consolidated the Argentinian business as a matter of prudence.

Even without the problems in South America profit performance is likely to have suffered greater pressure from operating costs, higher loan capital interest charges and from lending, with other clearers, to take the lead on carrying UK interest rates downwards during the period.

The market is, therefore, looking for up to £210m without the Argentinian factor, against £175m midway last time. But some analysts see costs trimming growth to as little as £5m.

Should the bank decide to grasp the nettle now and not wait to the year end to consolidate Argentina then provisions could all but obliterate the mid-term outcome, if estimates about its exposure there are correct. However "prudence" may prevail again until the Junta demonstrates its true intentions.

The strength of the U.S. dollar means that good news is expected from **Rothmans International**, which reports full-year figures next *Tuesday. Analysts forecast* pre-tax profits to land between £100m and £108m against £71.2m last time. The gains won't be just currency translation aid—exports are priced in dollars so the currency's strength this year will flow straight through to the p and l. Dunhill has already reported a good improvement, as have Singapore and Canada. The higher duty requirements in Germany this year could be a worry, so the outlook for growth is less exciting. Still, the market expects a good increase in the final dividend for a full-year pay-out of 4.25 net.

John Brown is reporting its figures for the year to March on *Friday. The company has* already said that profits "should not be too far short of the £14.2m achieved in 1981," and analysts are taking John Brown at its word, going for £12m-£13.5m, pre-tax. In the U.S. Lessona is finding textile and plastics machinery a difficult business in a recession, but Olofsson has at least had a big order backlog to work through. The company has already revealed that UK machine tools will lose about £4m, but this dreadful performance should not be repeated. The company's gearing is thought to be more than 60 per cent, and most of the debt is subject to U.S. interest rates. Another uncertainty of transatlantic origin is the future of John Brown's £100m turbine contract for the Siberian pipeline. General Electric supplies the hot end for the turbines, so unless President Reagan relaxes his embargo, John Brown can only twiddle its corporate thumbs.

The market is looking for pre-tax profits of £20m-£21m from the **Davy Corporation** when it reports its figures for the year to March on Thursday. Last time around, Davy made £15.5m. UK manufacturing will have made a turnround into profits, but this is purely the fruits of rationalisation, and no reflection of an upturn in demand. While the UK recession seems unlikely to deepen, there is more uncertainty regarding the U.S., where Davy's companies are subject to considerably more downside potential. This does not augur well for future earnings per share in the wake of January's £26m rights issue. Currently analysts—not with a vast amount of conviction—are expecting around £25m pre-tax in 1982-83.

Other results due next week include interim figures from Alexanders Discount on Monday, and on Wednesday those of [illegible] Discount, Gestetner and Bernard Qualcast. Full year figures from both Hogg Robinson and Allied Colloids are to be reported on Tuesday, and on Thursday MFI Furniture will be announcing its preliminary results.

Company	Announcement due	Dividend (p)* Last year Int	Final	This year Int
[illegible]				

FINAL DIVIDENDS

[illegible]

INTERIM DIVIDENDS

[illegible]

INTERIM FIGURES

[illegible]

Victoria Carpet loss —dividend reduced

AFTER EXCEPTIONAL charges totalling £251,000 Victoria Carpet Holdings has shown a loss, before tax, of £224,000 for the year ended March 31 1982, compared with a deficit of £768,000. The dividend is reduced from 0.5p to 0.15p net per 25p share.

At the interim stage this Kidderminster based manufacturer and distributor of carpets showed a profit of £48,813, compared with a loss of £390,973. In their interim report the directors said that they hoped that the dividend would be held.

They reported that a major turnround had occurred in the Australian subsidiary, which benefited from tariff changes and [illegible]. The UK subsidiary had, however, again shown a loss but they said that a worthwhile improvement had been shown as cost reduction took effect. The directors said that a substantial increase in profitability could not be expected until market conditions improved. In 1978-79 pre-tax profits were £700,000 but fell to £114,000 in the following year.

The result for 1981-82 was struck after bad debts in the Australian subsidiary of £118,000 and after charging £140,000 in connection with the rationalisation of the UK Axminster yarn stocks. The 1980-81 loss was struck after redundancy costs of £159,000. Turnover was up from £14.72m to £16.81m.

There is a tax charge of £58,000 (£259,000 credit) leaving a loss per share of 4.66p (1.79p).

SPAIN

July 16	Price %	+ or −
[illegible]		

Gross revenue slips at Leda Investment

Gross revenue at Leda Investment Trust in the half year to June 30 1982 was down slightly from £195,572 to £191,835, including a subsidiary's dealing profits, which slipped from £19,914 to £16,978.

The net interim dividend is maintained at 1.47p, earnings per 20p income share are stated at 2.12p (2.18p), and net asset value per 5p capital share is put at 79.2p (83.60).

Tax took £50,416 (£52,446), leaving net revenue of [illegible]

Greenall buys U.S. hotels

GREENALL WHITLEY hotel subsidiary GW Hotels has acquired five hotels and the goodwill and franchise contracts owned by Treadway Inns Inc, a long established U.S. hotel group, for $4.34m (£2.41m). Treadway owns *two* hotels in New York State and one each in Pennsylvania, Ohio and New Jersey, with a total of 507 bedrooms.

Treadway also has franchise agreements with a further six hotels, with 601 bedrooms, in the north east of the U.S., and a close marketing relationship with a 1,000 bed hotel in Boston.

In addition, GW Hotels has taken the option to acquire the 134 bed Treadway Inn at Newport, Rhode Island. If this option is exercised, it will pay a further $3.8m (£2.2m).

Mr Derek Bell, GW Hotels' managing director, says that despite the recession in America, there is a good outlook for these hotels, based in the densely populated and affluent north east states. "This is our first direct investment in the U.S. and is an extension of our existing UK hotel activities."

Treadway has projected 1982 profits before tax (applicable to the hotels now acquired) amounting to $761,800. The five hotels acquired were professionally valued last year at $9.71m, less mortgages of $2.72m giving a net equity of $6.99m.

Mixconcrete to fight bid

Mixconcrete (Holdings) of Northampton yesterday announced it will fight the proposed £14.4m takeover bid from Pioneer Concrete (Holdings).

Pioneer, which is ultimately owned by Pioneer Concrete Services of Australia, has made a 155p cash bid for each Mixconcrete share which, apart from the [illegible], values the entire share capital at £14.4m.

Mr John Darnell, Mixconcrete's chairman said: "We will defend any attempt to take us over. The Pioneer offer is unwelcome and inadequate."

Mixconcrete's shares fell 1p yesterday to 177p after rising 63p on Thursday following the announcement of the bid.

SUMMARY OF THE WEEK'S COMPANY NEWS

Bids and deals

Less than a year after the sale of the Malaysian plantations in a £61m deal, **Dunlop** is disposing of its remaining interests in the area by selling its 51 per cent holding in Dunlop Malaysian Industries to Pegi Malaysia for around £73m. The sale is conditional on the approval of the Malaysian Capital Issues Committee, expected to be granted by the end of the year.

A relatively subdued week on the takeover front saw two bids launched. Multi-faceted industrial group **Hanson Trust** is offering 125p cash per cash for *United Gas Industries*, valuing the latter at £18.2m. Hanson already holds 21.7 per cent of UGI.

Building aggregates concern **Mixconcrete** received a bid from **Pioneer Concrete**, *part of the world-wide Pioneer Concrete* Services of Australia. The cash offer of 155p per share values Mixconcrete at £14.4m. At present, the latter's board advises *shareholders to take no action* and on the London Stock Exchange Mixconcrete's shares rose sharply above the offer price on hopes of a counter-bid.

Mr Robert Maxwell's **British Printing and Communication Corporation** has placed its entire holding in **Bemrose** with various institutions. The stake, 19.97 per cent of the equity, was built up over the last couple of months in a successful attempt to thwart the bid for Bemrose from Bunzl which lapsed on Thursday after having gained only 0.6 per cent acceptances.

It was announced on Monday that industrial investment group **Maurice James** was involved in talks that could result in an offer for the company. The identity of the prospective suitor was not disclosed.

Money-broker **Mercantile House** has sold the Far Eastern interests of its Charles Fulton subsidiary to the local management team for £4.8m.

Market research group **AGB Research** has paid around £5.2m for National Family Opinion of the U.S.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
AAA Inds¶¶	39½§	37½	35††	1.59	Glossop
Braid Group	58*	58	42	2.74	Lookers
Brit Northrop	18*	17	12	0.31	Padworth Invs
British Sugar	470*	463	470	139.53	Berisford (S & W)
Eva Inds	44	38	44	2.38	Anglo-Indonesian
Federated Land	175*	174	142	19.03	*BSC Pnsn Fonds*
General & Comm	286½‡‡	280	235	15.32	Britannia Arrow
Gordon (Luis)	22*§	21	20††	0.37	Pedro Domecq
Grant Bros¶¶	190*	186	218	2.28	*Jadepoint*
Johnson Cp Clnrs	289§§	290	179	31.30	Sunlight Services
Mixconcrete	155*	177	115	14.41	Pioneer Concrete
NCC Energy¶¶	25*§	24	35††	4.86	Cook Int
North (M. F.)	37*	36	31	9.25	Messrs D. & F. Barclay
St George's Group	155½§§	145	139††	7.68	Spring Grove
United Gas Inds	125*§	135	100	18.18	Hanson Trust
Welbeck¶¶	52½§§	50	43	2.85	Causton (Sir J.)
Wilkins & Mitchll	1	5	18	0.06	Centreway

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on July 16 1982. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allnatt Props	Mar	8,060	(6,730)	10.9	(9.3)	5.2	(4.4)
Amersham Intl	Mar	8,540	(4,080)	12.5	(4.9)	3.5	(1.68)
Asprey	Mar	4,870	(4,130)	155.7	(138.7)	42.0	(35.0)
Assoc Heat	Mar	2,710	(2,500)	24.1	(21.3)	—	(—)
Batleys Yorkshr	May	1,160¶	(1,060)¶	13.6	(11.5)	2.3	(2.2)
Bevan (D. F.)	Mar	67	(131)L	0.5	(—)	1.0	(0.85)
BIS	Feb	1,380	(983)	83.9	(48.9)	—	(—)
Braham Millar	Jan	60	(86)L	0.5	(—)	0.6	(0.3)
Braithwaite Egns	Mar	929	(809)	30.9	(18.4)	8.1	(7.7)
Bromsgrove Cstng	Mar	172	(182)	4.8	(4.9)	2.25	(2.25)
Bulmer (H. P.)	Apr	7,512	(4,509)	58.0	(35.4)	12.6	(9.38)
Burtonwood Brwy	Mar	2,880	(2,760)	39.8	(36.7)	5.76	(5.19)
Cable & Wireless	Mar	97,660	(62,050)	20.2	(15.0)	6.6	(—)
Candecca	Mar	115	(408)	0.2	(1.4)	—	(—)
Carclo Engn	Mar	2,280	(716)	17.4	(—)	3.9	(2.8)
Christie-Tyler	Apr	2,920L	(567)	—	(13.9)	—	(4.0)
Daejan Hldgs	Mar	4,740	(3,830)	18.4	(16.6)	4.75	(3.85)
Distillers	Mar	178,500	(181,000)	35.8	(34.4)	11.75	(10.75)
Dowty Group	Mar	39,140	(36,240)	13.6	(13.6)	3.7	(3.33)
Energy Capital	Dec	292L	(130)	—	(1.0)	—	(—)
Energy Finance	Mar	505	(384)	4.5	(2.9)	1.31	(1.25)
Firth (G. M.)	Mar	186	(53)L	6.4	(—)	3.0	(3.0)
Graig Shipping	Mar	2,740	(833)	376.6	(241.2)	30.0	(25.0)
Greycoat Estates	Mar	810	(340)	3.4	(2.3)	1.0	(0.37)
GUS	Mar	189,160	(179,530)	42.6	(40.6)	13.0	(12.5)
Harris (Philip)	Mar	679	(668)	19.4	(26.6)	6.5	(6.2)
Haslemere Ests	Mar	6,080	(5,880)	18.1	(16.4)	6.9	(6.0)
HAT Group	Feb	6,000	(4,810)	6.9	(8.5)	2.75	(2.5)
Highgate Optical	Dec	63L†	(27)L†	—	(—)	—	(—)
Howden Group	Apr	8,690	(7,750)	17.8	(17.6)	4.4	(4.0)
Hwrd & Wyndhm	Dec	252L¶	(1,720)L¶	—	(—)	—	(—)
ICC Oil	Mar	307	(209)	0.7	(—)	0.01	(—)
Jenkins (Robt)	Mar	136	(601)	91.4	(71.9)	14.0	(21.9)
Jones Stroud	Mar	2,600	(1,310)	16.1	(8.5)	5.2	(5.2)
Lennons Group	Apr	1,480	(2,130)	2.6	(5.5)	2.65	(2.4)
LMI	Mar	2,030	(3,010)	8.6	(11.5)	7.75	(7.75)
Magnet & Sthrns	Mar	19,110	(22,610)	11.4	(14.3)	5.0	(5.0)
Marling Inds	Mar	1,580	(405)	10.6	(1.8)	1.08	(0.94)
Mitchell Somers	Apr	2,230	(488)	9.8	(2.9)	3.25	(1.0)
Monk (A.)	Feb	3,000	(940)	23.5	(7.3)	3.5	(1.75)
Nesco Invs	Mar	237L	(366)	—	(—)	7.0	(7.6)
Peerless	Mar	1,470	(1,650)	10.6	(10.0)	6.3	(6.3)
Ratners	Apr	891	(2,220)	1.9	(6.1)	2.3	(2.3)
Shaw Carpets	Apr	2,260L	(465)	—	(1.5)	0.1	(2.0)
Sheffield Brick	Dec	190L	(6)	—	(—)	0.75	(1.75)
Stonehill Hldgs	Apr	21	(615)	—	(4.1)	2.0	(8.5)
Symonds Engn	Mar	254	(24)	1.4	(1.2)	0.79	(0.3)
Thorn EMI	Mar	105,400	(94,300)	37.9	(34.5)	14.63	(14.63)
Unigate	Mar	38,300	(38,000)	13.8	(14.6)	6.5	(6.2)
Western Board	Mar	1,770	(1,580)	16.7	(14.7)	6.5	(5.9)
Wheelers Rstmts	Apr	307	(383)	17.4	(11.7)	5.88	(5.88)

Offers for sale, placings and introductions

Sarakreek—Is seeking a London listing.

West Kent Water Company—Is raising £1.5m via an offer for sale by tender of 8¾ per cent redeemable preference stock 1987-89, at a minimum price of £98 per cent.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Asprey—Two for one.					
Assoc Newspapers	Mar	5,400	(10,780)	4.5	(4.5)
Barrow Milling	Feb	153‡	(153)L‡	—	(—)
Blundell-Permglz	Apr	477	(313)	1.6	(1.6)
Cambrian & Gen	Mar	176	(126)	0.2	(—)
Cardiff Prop	Mar	6,292	(19,668)	0.6	(0.6)
Dew (George)	May	910	(2,170)	2.3	(—)
Eurotherm Intl	Apr	2,250	(1,170)	2.0	(1.5)
Glanfld Lawrence	Mar	240L	(116)L	—	(—)
McMullen & Sons	Mar	1,290	(1,250)	1.0	(—)
Rank Organisatn	May	36,600	(43,800)	4.8	(4.8)
Sotheby Parke	Feb	1,510L	(4,270)	—	(3.5)
Titaghur Jute	Dec	3,030L	(321)	—	(—)
Trust Securities	May	442	(430)	0.72	(0.72)
Vosper	Apr	782	(962)	2.0	(1.0)
Yeates (W. S.)	Apr	715	(255)	4.8	(4.2)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † Operating loss. ‡ In I£. ¶ Attributable. L Loss.

Scrip Issues

Magnet and Southerns—One for two.

Rights Issues

Blundell-Permoglaze—Is raising £1.46m by way of a two for nine rights issue at 103p per share.

Manchester and Metropolitan Investment Trust—Intends to raise £78,000 by way of a rights issue on the basis of one for four at 78p per share.

UK COMPANY NEWS

H. Sykes cuts losses

Henry Sykes managed to cut its pre-tax losses in the 15 months to March 28 1982 to £549,000, compared with £1.28m in the previous 12 months. Sales totalled £27.51m against £22.22m in the earlier period. Again there is no dividend.

The company, with interests in the manufacture and sale of pumping, pneumatic and marine equipment, says there has been a modest opening to the new financial year, with signs of some improvement in home demand, both for new equipment and for hire.

However, export orders have become more difficult to obtain as a result of the continuing world recession.

Although the company cannot say when it will return to substantial profit levels, it says it is now in a much stronger position to take advantage of market opportunities.

Interest charges for the 15 months came to £1.01m (£899,000 for year), and exceptional charges, comprising reorganisation, redundancy and compensation costs, totalled £173,000 (£447,000).

Associated companies' profits of £288,000 £253,000) and a tax credit of £225,000 (£884,000) give a net loss of £324,000 (£595,000). There is an extraordinary debit of £430,000 (£139,000).

Net losses per 25p share before the extraordinary item are stated at 3.9p (7p).

Dentsply keeps up recovery

After returning to profitability in the second half of 1981-82 Dentsply, the manufacturer and distributor of dental and medical supplies controlled by Dentsply International of the U.S., announces a pre-tax profit of £547,000 for the half year ended May 31 1982. This compares with a loss of £956,000

On a group turnover down from £10.59m to £7.66m there was a trading profit of £1,165,000 compared with £77,000. This was before exchange losses of £295,000 (£75,000), interest £290,000 (£364,000) expenses of £366,000 (£748,000) in connection with the relocation and reorganisation of the head office and the Walton factory and was before including a surplus of £333,000 (£154,000) on loan stock redemption.

SHARE STAKES

Hazlewood Foods — Mr J. Lowe, Director, and Mrs H. Lowe now hold 1,350,535 shares and Mr J. Collinson, director, holds 381,165 shares.

Land Securities—Mr R. A. W. Caine, director, has sold 5,000 ordinary shares from his beneficial interests and purchased 5,000 ordinary shares for his non-beneficial interests. Mr Caine's interests now amount to: beneficial — 45,000, and non-beneficial — 23,125.

Macdonald Martin Distilleries —British Rail Pension Trustee Company holds the following shares in the name of Junction Nominees — wholly-owned sub "A" ordinary—150,000 (6.25 per cent). "B" ordinary — 30,000 (3.75 per cent).

Grovebell Group — Following the recent rights issue Sunesta Investment and its associates, which took up their full entitlement to the issue and also underwrote the balance, have increased their holding of ordinary shares by a nominal amount of £429,101.50 (27.45 per cent). In consequence, total holding of Sonesta and its associates, amounts to £785,472.95 (50.25 per cent).

Highland Distilleries — As a result of a purchase of shares on July 12 Clyde Booding Company holds 3,106,000 ordinary shares (5.058 per cent).

Majedie Investments—Mr T. B. Barlow, as trustee, has purchased 70,000 ordinary shares making his trustee holding 375,231 shares.

H. C. Slingsby—Ms Mauriceite Slingsby has disposed of 84,230 ordinary shares, held as joint trustee on the death of Mr S. V. Slingsby, reducing holding to 40,176 shares (4.0176 per cent).

RESULTS IN BRIEF

UNITED ELECTRONIC HOLDINGS (electronic components, video films, hi-fi accessories) — Results for year ended March 31, 1982, with prospects reported June 10. Group shareholders' funds £2.52m (£2.48m). Fixed assets £742,000 (£513,000). Net current assets £1.87m (£2.16m). Bank overdrafts £1.76m (£0.74m). Meeting, Great Eastern Hotel, EC, August 5, at noon.

FERGUSON INDUSTRIAL HOLDINGS (building supplier, engineer, giftware and printer)—Results for year to February 28, 1982, reported on June 15. Shareholders' funds £18.97m (£18.22m); fixed assets £13.98m (£13.06m); net current assets £7.38m (£6.58m); increase in working capital £1.82m (decrease £1.47m). Chairman says that two largest divisions are making progress but the rest of the group is finding it difficult to maintain margins. Capital expenditure has been authorised of more than £3m for the year. Meeting: Appleby Castle, Cumbria, August 6 at 11.30 am.

GREENFRIAR INVESTMENT — Gross income £151,000 (£184,000) for six months to June 30 1982; interest £67,000 (£70,000), management expenses £22,000 (£28,000), and tax £22,000 (£3,000). Earnings £41,000 (£54,000), before warrant issue expenses £22,000 (nil). Earnings per share 1.01p (1.35p), nav 221.7p (238.3p).

AIRFLOW STREAMLINES (body engineer and motor dealer)—Results for year to February 28 1982 with prospects reported June 4. Group shareholders' interests £4.04m (£3.96m). Fixed assets £4.01m (£4.81m). Net current assets £350,097 (£320,422). Bank overdraft £1.37m (£1.4m). Meeting, Northampton, July 20, noon.

THE TRING HALL USM INDEX
128.1 (+0.1)
Close of business 16/7/82
Tel.: 01-638 1591
BASE DATE 10/11/80 100

LADBROKE INDEX
553-560 (+3)

WORLD STOCK MARKETS

Early firmness on Wall St

SMALL GAINS were scored on Wall Street yesterday, although many investors adopted a wait-and-see attitude ahead of weekly U.S. Money Supply figures, which are expected to show a sharp increase.

By 1 pm the Dow Jones Industrial Average was up 2.57 to 829.91, making a rise of 15.79 on the week, while the NYSE All Common Index, at $63.64, rose 26 cents on the day and $1.10 on the week. Volume, however, decreased 5.8m shares to 40.27m, compared with 1 pm Thursday.

Analysts said investor worry that a large increase in Money Supply will mean a continuation of high interest rates and tight monetary policy.

Wall Street also was said to be disappointed over the large increase in monthly U.S. Wholesale Prices. The 1 per cent June rise was the biggest one month jump since a 1.1 per cent gain in March 1981.

Concern that the Iran-Iraq conflict may disrupt the flow of oil from the Middle East also made investors uneasy, analysts said.

THE AMERICAN SE Market Value Index rose 1.29 to 251.49, making a rise of 2.99 on the week. Volume decreased 223,000 shares to 2.22m.

Most active Dome Petroleum dipped $¼ to $4¼ on over 135,000 shares—it said it is not seeking financial aid.

Du Pont, IBM and Coca Cola were heavily traded and fractionally lower.

Less active Gillette advanced $1¾ to $37 on its higher earnings.

Mesa Petroleum, the best performer among the day's volume leaders, jumped $1¾ to $15¼ on more than 700,000 shares.

Communications Satellite rose $2¼ to $54 on about 25,000 shares—it reported a "large" second quarter earnings gain.

Motors were fractionally mixed.

Baldwin United fell $1¼ to $22¾ on some unfavourable press comment.

Canada

Markets gained further ground around noon yesterday, when the Toronto Composite Index was up another 7.7 to 1,410.5.

The Oil and Gas Index rose 13.6 to 2,396.3, Metals and Minerals 9.1 to 1,323.1, Banks 5.26 to 258.93 and Papers 3.42 to 135.00. But Golds shed 3.3 to 1,739.7.

Analysts said Oil issues have been helped by a combination of events, including the go-ahead for Dome's B.C. liquefied natural gas project and the tension in oil producing countries in the Middle East.

Massey-Ferguson, off 7 cents at $2.26 said it has suspended interests payments to its North American bankers in an effort to conserve cash.

Tokyo

Prices lost some ground in light trading, with the Dow Jones Index down 21.88 to 7,175.89. Volume shrunk to 280m (370m) shares.

Trading was mixed as the market failed to produce any leaders. Hitachi held unchanged at Y567. Most other major Electronics also closed basically level.

Uncertainty over the direction of U.S. interest rates is increasing, said one trader, investors are taking a wait-and-see attitude.

The market's closure Saturday for its monthly third-Saturday holiday may have been partially responsible for the low volume Friday.

Computer and Heavy Electric Machine Makers were slightly lower, including Fujitsu, which shed Y4 to 741 despite improved consolidated annual results and a brighter forecast for the current year.

Pharmaceuticals generally moved up. Green Cross rose Y20 to 1,880.

Dowa Mining, Sumitomo Mining and other non-ferrous Metals, which rose sharply Thursday, fell back again yesterday.

Coals generally moved higher.

OKI moved up on rumours that it may be negotiating a tie-up with IBM, one trader said.

Precision Instruments, Chemicals and Textiles were generally lower.

But issues related to Government Public Spending Programmes firmed following a Press report the Economic Planning Agency is drafting economy boosting measures. The EPA declined comment.

Germany

Most shares easier in sluggish pre-weekend trading. Investors held back because there was no fresh news to allay concern about prospects for interest rates and the West German economy.

As the Commerzbank Index fell 4.7 to 679.9, Commerzbank itself shed DM 1 to 133.

AEG rose 0.40 to DM 34.50 against the general trend in a continuation of its recent recovery prompted by Agreement on fresh financial aid from the Government.

Buying orders for Stores remained in the market.

Paris

Narrowly mixed in quiet trading, with some profit-taking evident after gains earlier this week.

The Finance Ministry's announcement Thursday of measures to help small and medium sized companies with VAT payments during the "price freeze" had little impact on sentiment.

Banks and Financials were mixed, while Foods and Stores were lower.

Motors were firm, as were Constructions and Engineerings, while Rubbers eased.

Electricals were mixed, while Oils and Metals were easier.

In the Foreign sector, Americans, Gold Mines and Coppers were easier, while Germans, Japanese, Dutch and Oils were firm.

Switzerland

Mainly higher in thin trading with operators heartened by strength in the recently consolidating Bond Markets. Both Domestic and Foreign franc issues gained strength.

Markets otherwise were little affected by company news, or market-moving events. The announcement that Ciba-Geigy group sales had fallen 3 per cent in the first half-year from the year-earlier period came too late to affect trading.

Banks held steady on very small turnover, with many investors on the sidelines awaiting further developments in the Banco Ambrosiano affair, dealers said.

Dealers said the outlook for Swiss Bonds remains favourable for next week, as some Institutional investors still absent from the market may have been encouraged by this week's stable trend.

While some market sources expect another cut in Customer Time Deposit rates next week, others regard such a move as premature. Rates for Customer Time and Eurofranc Deposits are roughly in line at present.

Amsterdam

Mostly slightly lower in quiet trading.

Banks continued to suffer from reduced confidence as major additions to Bank's general risk provision might cut profits, dealers said. ABN, off Fls 1 to 275, said Thursday it expects little changed first half year profits.

Among Dutch Internationals, KLM held unchanged at Fls 88.5—its anual report is due next week.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Financial Rand US$0.79½ (Discount of 81%)

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

NEW YORK ACTIVE STOCKS

MONTREAL

TORONTO Composite

INTERNATIONAL COMPANIES and FINANCE

Itoh suffers 59% fall in consolidated net profits

BY YOKO SHIBATA IN TOKYO

C. ITOH AND CO, Japan's third largest trading house, suffered a fall of 59.5 per cent to Y5.09bn ($19.9m) in consolidated net profits in the year to March 31, from Y12.57bn in 1980-81. A high proportion of foodstuffs and textiles in its products range contributed to the setback, as did higher taxes, the company said.

At the pre-tax level, profits were down 5.7 per cent to Y17.78bn, from Y18.85bn. The company's effective tax rate was affected by certain non-deductible expenses, and it faced a rise of 58 per cent in corporate income taxes.

Sales of Itoh and its 103 consolidated subsidiaries rose by 13.6 per cent to Y12,710bn ($50bn), from Y11,191bn.

For the current year, Itoh expects the 1981-82 consolidated earnings level to be held, on sales up by 5 per cent.

The sales growth in 1981-82 resulted from higher domestic transactions in textiles, machinery, construction and metals; import transactions in crude oil and metal ores; and higher offshore transactions in foodstuffs and textiles.

Domestic transactions rose by 8.6 per cent, to account for 42.3 per cent of the total turnover. Import transactions accounted for 22.5 per cent of the total turnover, on an increase of 18.1 per cent. Export transactions rose by only 4 per cent, to 18.3 per cent of the total. Offshore business, however, jumped by 35.6 per cent.

Grain business rose by 38.5 per cent, to account for 14.8 per cent of the total turnover, but slackened international grain market prices dragged down the overall gross trading profit by 7.6 per cent. As a result of a reduction of Y7bn in bad debts losses, selling and administrative expenses were cut by 2.7 per cent.

Lower interest rates in Japan meant that the financial balance (interest and dividends received less interest and dividends paid) improved by Y7.3bn.

Net profits per 10 shares of common stock were Y59, compared with Y153 in 1980-81.

Aiwa reports first-half setback

BY OUR TOKYO CORRESPONDENT

AIWA, the Japanese audio equipment maker in which Sony has a 54.6 per cent stake, reported a 59.8 per cent setback in operating profits of parent company level to Y336m ($1.3m) in the six months ended May 31, weighed down by heavy inventories of audio equipment overseas at a time of audio recession.

Aiwa's half-year net profits were Y252m, down by 49.1 per cent, on half-year sales of Y28.53bn ($111m), up by 12 per cent.

With the half-year results, the company has lowered sharply its forecasts of the results for the full year, to November.

The 1981-82 operating profits are now seen as coming out at Y1.25bn, down 25.6 per cent on the 1980-81 figure of Y1.68bn, whereas in January a rise of 10 per cent in profits at this level, to Y1.85bn was being looked for.

Net profits are forecast at Y650m, down 24.3 per cent, from last year's Y858m, and compare with the earlier forecast of Y900m, showing a 5 per cent rise.

Sales for the current year are expected to be up 16 per cent, from Y53.34bn to Y62bn, though at the beginning of the year a 22 per cent gain to Y64.5bn was foreseen.

Aiwa's sales of tape recorders with radio, including walking headphone stereo tape recorders rose by 8.5 per cent, to account for 36.4 per cent of the total. Sales of tape recorders fell by 42.4 per cent, to reduce their share of total turnover to 10 per cent—with exports being cut by 70 per cent. Sales of audio equipment declined 8.1 per cent, for a 32 per cent share, on the back of a 29.6 per cent fall in exports.

The company started production of video tape recorders (VTRs) in the half, and VTR sales totalled 60,000 units, contributing Y4.9bn, or 17.3 per cent, to overall turnover.

Overall exports came to Y7.8bn, down by 29.3 per cent, and were down to a 27.6 per cent share of turnover. Domestic sales, on the other hand, gained 44.1 per cent, with the boost of the newly-introduced headphone stereo tape recorders.

Ciba hopes to maintain 1981 result

BY JOHN WICKS IN ZURICH

CIBA-GEIGY, the Swiss chemical concern, expects this year's operating profits to be at about the same level as 1981, despite slower sales growth. In a letter sent to shareholders yesterday, the Basle-based parent company says cost control measures have so far this year been successful in counter-balancing the "detrimental effect of economic and foreign-exchange developments."

First-half profits were about equal to those of the corresponding period of last year, even though group turnover dropped by 3 per cent to just under SwFr 7.45bn ($3.5bn).

Group operating earnings in 1981 rose by 71 per cent to SwFr 521m ($244.6m) after a 14 per cent growth in consolidated sales to a record figure of SwFr 13.6bn.

Dutch halt funds to nuclear consortium

By Walter Ellis in Amsterdam

NERATOOM, the Dutch nuclear research and investment consortium, faces closure in 1986 after a Government decision to suspend its 90 per cent financing of the controversial fast-breeder programme.

RSV and VMF-Stork, two of the Netherlands' largest engineering companies, have been leading shareholders in Neratoom for many years. Both have indicated that they will not be able to compensate for the withdrawal of Government money.

Of the two remaining interested parties, De Schelde of Flushing, is a subsidiary of RSV, and Comprimo, an Amsterdam-based research venture, is not in a position to put up funds of its own.

The Government's share of the budget last year came to Fl11.7m ($4.2m). It is thought unlikely that Neratoom will be able to continue for long in its present form without some new source of capital.

Neratoom is in trouble mainly because of a decision by Mr Jan Terlouw, the Dutch Economics Minister, last year to explore ways of disengaging Holland from involvement in the Kalkar, fast-breeder reactor, under construction just over the frontier in West Germany. The Netherlands and Belgium each have a 15 per cent stake in Kalkar, the rest is the responsibility of Bonn.

Mr Terlouw's decision was based on the strength of feeling in Holland against nuclear power, and especially fast-breeder experiments.

Since 1976, RSV and Stork, which have long sought profits from power generation, have together contributed some Fl 5m to Neratoom, compared with Fl 62.7m from the Government. Neratoom was founded in 1959 by a group of Dutch companies most of which now trade within the RSV and Stork groups.

Existing Government subsidies and help from De Schelde should keep Neratoom going in a mere limited form until 1986.

Eli Lilly earnings rise sharply on drug sales

BY TERRY BYLAND IN NEW YORK

A SUBSTANTIAL rise in profit in the second quarter has put Eli Lilly, the medical care, agricultural chemicals and cosmetics group, well ahead of analysts' forecasts for fiscal 1982.

Net earnings were 22 per cent up at $93.2m or $1.23 a share on sales of $708.2m. For the second quarter last year, earnings were $76.4m or $1.01 per share on sales of $624.6m.

First-half earnings were $228.8m or $3.01 a share on sales of $1.57bn, against $201.1m or $2.65 a share on sales of $1.48bn.

For the full year Wall Street has been predicting a 12 per cent gain on last year's earnings of $374.5m or $4.93 a share.

Mr Richard Wood, chairman, said the increased profits of the second quarter reflected an "outstanding performance" in the pharmaceuticals division, which last year provided nearly 50 per cent of group sales.

Lilly has scored particular success with its antibiotic drugs, Moxam and Ceclor. It also sells two anti-arthritic drugs—Renoxaprofen and Oraflex—outside the U.S. Substantial sales prospects have been forecast for these drugs, which have profit margins of about 30 per cent.

Sales from the agricultural chemicals division, which turned in 30 per cent of total revenue last year, increased in spite of the general recession in world farming.

On the cosmetics side—10 per cent of group sales last year—there was a further gain at Elizabeth Arden which Lilly turned round into profit in 1976 and has been steadily expanding.

Dunswart Steel omits interim dividend

By Our Johannesburg Correspondent

DUNSWART STEEL, the South African steel and iron producers which is 74.3 per cent-owned by mining house, Gencor, suffered badly from production shortfalls and higher interest rates in the six months ended June 1982, and has passed its interim dividend.

First-half operating income fell to R1.69m ($1.5m) from R5.38m in the first half of last year, and compared with R10.2m for the whole of 1981. Interest charges rose to R2.33m from R826,000. This coupled with higher depreciation resulted in a pre-tax loss of R.7m, against a pre-tax profit of R2.64m in the first half of 1981 and R4.54m for the whole of last year.

During the past few years Dunswart has been engaged in a heavy capital programme to replace outmoded and worn equipment. Delays in commissioning a new light section mill resulted in production and delivery shortfalls in the first half of this year and blamed by the company for part of fall in profits.

The first half resulted in a loss of 34.1 cents a share. Last year first-half earnings were 15.3 cents. A 5 cents interim dividend was paid out of a total dividend of 18 cents.

Italian builder breaks even

BY JAMES BUXTON IN ROME

CONDOTTE, the important state-controlled construction company, broke even last year for the second year running, after setting aside L3.2bn ($2.2m) in risk provisions. For the third consecutive year it is not to pay a dividend.

Turnover of the company, which is 52 per cent owned by the IRI-Italstat state-owned holding company, was almost unchanged at L506bn, compared with L509bn in 1980 when provisions of L20bn were made against the profit and loss account.

Condotte's order book increased from L1,835bn to L2,582bn, which will assure it work for at least four years, Sig Sergio De Amicis, chairman, said yesterday.

The main problem for the company are financial, Sig De Amicis said. Condotte has a relatively small capital base of L24.5bn and debt of L323bn, of which some L190bn is short term. In order to reduce financial charges which amounted to L50bn in 1981, the company is to transfer some of its property interests to another company in the Italstar group.

But Condotte is also counting on an improvement in difficult operating conditions abroad to help its finances. Last autumn it succeeded in renegotiating a contract to build a new port at Bandar Abbas in Iran. A scaled-down version of the project should now be worth a total of L1,200bn.

The company is aiming to concentrate more on Italy, not because of overseas risks, but because Italy still continued to favour a policy of investing in large public works.

Kockums wins $160m order for three ships

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE Swedish shareholders of Atlantic Container Line (ACL), in which Britain's Cunard also has a large stake, are ordering three new container ships from Kockums of Sweden for $160m.

But Cunard was not yet ready last night to announce where it would build its own vessel for the ACL service to replace the Atlantic Conveyor, which was destroyed in the Falklands fighting.

Cunard has a 20 per cent share in ACL, which is having five ships built altogether by its shareholders. Cie Generale Maritime (CGM) of France is expected to order its vessel in a French yard.

On straight price terms, Japan and South Korea are the countries in which Cunard would like to order its new ship. But the issue has become enmeshed in political and patriotic controversy after the Falklands crisis. Government compensation for the lost Cunard ship is £10m ($17.25m).

The three ships ordered by ACL's Swedish shareholders — Broströms, Wallenius Lines, and Transatlantic Steamship — are for delivery in the first half of 1984.

They will be large, able to carry 2,300 containers each, and flexible with capacity to carry long trailers or other roll-on/roll-off cargoes and cars. The Atlantic Conveyor was a smaller ship.

If Cunard was to build its new ship in the UK, the Government would have to step in and meet the financial gap. This would be difficult in view of international rules on ship credits.

No information on subsidy or credit levels for the order at Kockums, which has been in considerable difficulties in recent years, were available. But the price of some $53m a ship is well below that quoted in the UK for the Cunard vessel and on a par with those quoted in Korea.

British Shipbuilders reckens it could build a new container ship for Cunard of the same size as those ordered at Kockums for just under $80m. The Japanese price is about $60m.

UK shipbuilders expressed frustration at the way in which the financing of the orders had been worked out. They pointed out that Swedish labour and materials costs were certainly no cheaper than Britain's.

COMMODITIES AND AGRICULTURE

COMMODITIES/REVIEW OF THE WEEK

U.S. cocoa bean usage up 10%

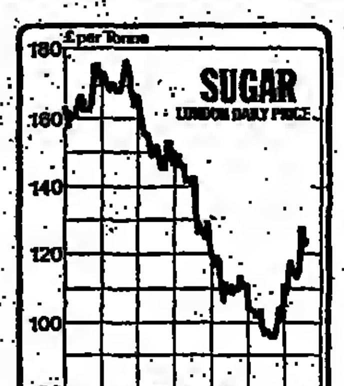
BY OUR COMMODITIES STAFF

U.S. SECOND quarter cocoa bean grindings were up 10.1 per cent from the same period last year, The U.S. Chocolate Manufacturers' Association reported yesterday. The rise, which was a little higher than expected, steadied prices on the London cocoa futures market, which had fallen earlier in the day. News of a 1.9 per cent rise in May-June Dutch grindings was not thought to have had a significant effect on prices.

In Wiesbaden meanwhile the Federal Statistics Office reported that West German cocoa bean imports rose to 84,109 tonnes in the first five months of this year from 77,359 in the corresponding 1981 period. Figures for the West German second quarter grind will not be available till next week.

The U.S. grind figure, coupled with a relatively steady New York market, encouraged a modest rally in futures prices but September cocoa still finished down £11 on the day and £19 on the week at £896.50 a tonne.

A meeting of the International Cocoa Organisation in London has drawn up tentative plans to use the $75m borrowed from a Brazilian banking group to buy cocoa for the buffer stock on deferred payment terms from producers, who will only receive a 20 cents deposit on their sales.



This would enable the stock to be raised from 100,000 tonnes to the 250,000 tonnes level required before export quotas can be imposed. Most of the big producers' members have agreed to a scheme limited initially to 60,000 tonnes, the cocoa coming from Brazil, Ghana, Nigeria and Cameroun. But Cameroun has so far reserved its position.

The rally in sugar values continued early in the week with the London daily raws price (LDP) reaching £128 a tonne at one stage. But the market turned down sharply after West German statistician F. O. Licht published a report raising estimated end-year stocks by 1.41m tonnes to a record 32.77m. The LDP ended £12 up on the week at £124 a tonne.

Trading on the London Metal Exchange was dominated by copper which was boosted by interest rate cuts, a further decline in LME warehouse stocks, predictions of more Chinese buying—on top of the recently reported 50,000 tonnes—and increased Middle East tension.

These factors combined to lift cash copper to £862 a tonne at one stage but the price ended the week at £848.25 a tonne, up £34.75 on balance.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1982 High	1982 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£880/910
Free Markets c.i.f.	$965/990	+15	$1150/180	$1120/150	$880/920
Antimony					
Free Market 99.6%	$2075/2125	—50	$2750/85e	$2450/560	$2075/185
Copper Cash High Grade	£848.25	+34.75	£909.5	£876	£690.85
3 months Do. Do.	£860.75	+56.0	£934.85	£903.75	£711.75
Cash Cathodes	£820	+22	£905.25	£871	£683.5
3 months Do.	£840	+26	£986.0	£898.3	£705.5
Gold per oz.	$345	+17	$418	$405.5	$296
Lead Cash	£330.0	+8	£428.5	£306.5	£282
3 months	£342.75	+8.5	£427.6	£377.25	£292.5
Nickel	£4080	—	£3850.5	£4080	£3787.5
Free Markets c.i.f. lb.	230/260c	—0	875/295c	265/290c	230/260c
Platinum per oz.	£260	—	£247	£260	£260
Free Market per oz.	£169.50	+7.16	£225.85	£201.60	£141.19
Quicksilver (76 lbs)	$360/370	—	$460/435	$415/420	$350/360
Silver per oz.	371.75p	+2.75	474.35p	467.85p	285.10p
3 months per oz.	382.05p	+2.06	488.95p	483.10p	294.00p
Tin cash	£6630	—40	£7660	£8985	£5460
3 months	£6675	—22.6	£7097.6	£8132.5	£5652.9
Tungsten Ind.	$109.48	—	$144.40	$134.48	$106.98
Wolfram (22.04 lb.)	$115/116	—	$149/182	$128/132	$109/107
Zinc cash	£428	+6.5	£471.6	£463.75	£370.5
3 months	£435	+6.875	£479.75	£469.25	£376.6
Producers	$800	—	$925	$950	$800
GRAINS					
Barley Futures	£108.10 t	+0.1	£101.50	£111.80	£102.50
Maize French	£137.00u	—0.0	£128	£158.00	£161.50
WHEAT Futures	£113.90 t	+0.55	£106.60	£124.40	£107.80
Hard Winter Wheat		—	£116.90	£118.76	£110.00
SPICES					
Cloves (g)	£5,826x	—	£4,250	£6,600	£5,400
Pepper, white	$1,390v	—33	$1,875	$2,000	$1,390
" black	$1,150v	—30	$1,225	$1,475	$1,160
OILS					
Coconut (Philippines)	$472y	—	$600	$550	$472
Groundnut 5%	$570x	+10		$713	$557.5
Linseed, Crude	£365	—	£452	£450	£353
Palm Malayan	$412.5s	—	$582.5	$545	$418.5
SEEDS					
Copra (Philippines)	$515x	—	$370	$385	$315
Soyabeans (U.S.)	$257	+8	$307	$277	$250
OTHER COMMODITIES					
Cocoa Shipments §	£938	—19	£1,112	£1,276	£890
Cocoa Futures Sept.	£896.5	—19	£1,071.5	£1,223.5	£868.5
Coffee Futures Sept	£1,116.5	+88	£843	£1,353.5	£1,083.0
Cotton Index	76.70c	+0.75	85.95c	79.00c	67.80c
Des. Coconut	£500		£680	£540	£500
Gas Oil Fut. Aug.	$278.25	—0.73	$307	$323	$235.25
Jute UJ ABW C grade	£250x	—8	£230	£276	£250
Rubber kilo	48.5p	—0.5	58.5p	58.70p	43p
Sago Pearl	£245x	—	£232	£250	£220
Sisal No. 3L	$640/660x	—	$780	$640/660	$640
Sugar (Raw)	£124xz	+12	£218	£177	£98
Tapioca No. 2	£240x	—	£239	£245	£215
Tea (quality) kilo	186p	—	188p	188p	117p
(plain) kilo				80p	78p
Wooltops 64s Warp	386p kilo	—8	586p kilo	402p kilo	375p kilo

1 Unquoted. (g) Madagascar. (a) October (t) November. (v) July-Sept. (u) Aug. (z) Sept. (y) Aug-Sept. (x) July-Aug. * Nominal. § Ghana cocoa.

INDICES

FINANCIAL TIMES

July 15	July 14	M'th ago	Y'ar ago
235.36	236.04	222.70	282.33

(Base: July 1 1952 = 100)

REUTERS

July 16	July 15	M'th ago	Y'ar ago
1574.1	1678.1	1499.6	1703.4

(Base: September 18 1931 = 100)

MOODY'S

July 15	July 14	M'th ago	Y'ar ago
1006.0	995.0	975.1	1075.0

(December 31 1931 = 100)

DOW JONES

Dow Jones	July 15	July 14	Month ago	Year ago
Spot	125.38	125.89	120.95	—
Futr's	126.15	126.98	119.34	—

(Base: December 31 1974 = 100)

BASE METALS

Amalgamated Metal Trading reported that in the morning three months higher grade traded at £864.00, 65.00, 66.00, 67.00, 66.00, 65.00, 64.50, 64.00. Cathodes, three months £843.00, 43.50. Kerb higher grade Three months £862.00, 61.00, 60.00, 59.00, 58.00. Afternoon: higher grade, three months £850.00, 60.00, 60.50, 61.00, 61.50, 59.00, 60.00, 59.50, 60.00, 61.00, 60.50. Kerb higher grade Three months £860.00, 60.50, 60.00, 61.00, 61.50. Turnover 25,175 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
HighGrade				
Cash	852-.5	+7.25	847.5-8	+4.75
3 mths	863.5-4	+3.5	860.5-1	+3.5
Settlem't	852.5	+7	—	......
Cathodes				
Cash	824.5-5	+5	819-21	—3
3 months	843.5-4	+3.25	839-41	+5
Settlem't	820	+5	—	......
U.S. Prod.	—	—	*67-71	......

Tin—Morning: Standard Three months £6780, 70, 75. Kerb Standard Three months £6770, 75. Afternoon: Standard three months £6770. Kerb standard Three months £6770, 75. Turnover 3,185 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	6625-30	—15	6625-35	—7.5
3 months	6770-5	—32.5	6770-10	—12.5
Settlem't	6630	—15	—	......
Standard				
Cash	6625-30	—15	6625-35	—7.5
3 months	6770-5	—15	6770-80	—12.5
Settlem't	6630	—15	—	......
Straits E.	$29.10	......	—	......
NewYork	—			

Lead—Morning: Cash £333.50, 33.00, three months £347.00, 46.00, 45.50. Kerb: cash £332.50, three months £345.00, 44.00, 43.00. Afternoon: Three months £345.00, 43.50, 42.00, 42.50. Kerb: Three months £343.00, 44.00, 44.50, 44.00, 43.50. Turnover 13,675 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	332.5-3	......	330-1	—5.5
3 months	345-.5	—.5	342.5-3	—5.75
Settlem't	333	......	—	......
U.S. Spot	—	......	*25-8	......

Zinc—Morning: Cash £430.00, three months £435.00, 36.00, 35.00. Afternoon: Three months £434.00, 33.00. Kerb: Three months £434.00. Turnover 4,900 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	429-30	—	427.5-8.5	—2.5
3 months	435-.5	+4.5	432-3.5	—3.25
S'ment	430	—	—	......
Primw'ts	—	......	37-40.5	......

Aluminium—Morning: Three months £580.00, 79.00, 78.50. Kerb: Three months £578.00, 77.50, 77.00, 76.00, 77.00. Afternoon: Three months £577.00, 76.00. Kerb: Three months £606.00, 576.5. Turnover 17,925 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	559-.5	—1.25	558.5-7.5	—3.5
3 months	579.5-9	—1.5	575-7	—3

Nickel—Morning: Three months £2980, 70, 75, 70. Kerb: Three months £2970. Afternoon: Three months £2965, 60. Kerb: Three months £2955, 60. Turnover 1,830 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2945-55	—37.5	2930-40	—47.5
3 months	2970-2	—34	2957-60	—44

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 4.15p an ounce lower for spot delivery in the London bullion market yesterday at 371.75p. U.S. cent equivalents of the fixing levels were: spot 638.5c, down 9.7c; three-month 660.2c, down 9.9c; six-month 683.5c, down 10.7c; and 12-month 725.7c, down 11.9c. The metal opened at 368-372p (635-640c) and closed at 367-370p (632-638c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	371.75p	—4.15	376p	—5.5
3 months	382.05p	—4.26	379.75p	—5.75
6 months	392.80p	—4.65	—	......
12months	412.80p	—5.00	—	......

LME—Turnover: 71 (197) lots of 10,000 ozs. Morning: three months 381.0. Kerb: three months 381.0, 80.5. Afternoon: three months 379.0, 80.0, 79.0, 79.5. Kerb: three months 381.0, 378.5.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	855-56	—8.0	851-47
Sept.	895-97	—11.0	900-85
Dec.	937-38	—10.0	939-28
March	972-76	—3.0	973-63
May	993-94	—4.5	982-88
July	1012-14	—3.0	—
Sept.	1032-35	—3.3	1033-32

Sales: 2,516 (3,031) lots of 10 tonnes. ICCO—Daily price for July 16: 70.38 (71.48). Indicator price for July 19: 72.07 (72.50).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
July	1058-69	+1.0	1070-55
Sept.	1115-16	+1.0	1181-03
Nov.	1026-27	+3.0	1032-15
January	998-00	+8.0	1000-85
March	975-76	+4.0	975-65
May	952-66	+2.0	960-50
July	950-01	—1.5	905-46

Sales: 2,006 (2,763) lots of 5 tonnes. ICO Indicator prices for July 15: (U.S. cents per pound): Comp. daily 1979 115.51 (116.48): 15-day average 118.17 (118.47).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Aug 12.75, Sept 111.50, Oct 112.50 transhipment East Coast sellers. English Feed fob Oct 115.50, Nov 118.00 East Coast sellers. Maize: French Aug 137 transhipment East Coast seller. South African White/Yellow Aug/Sept 89.00 seller. Barley: English Feed fob Aug 104.50, Sept 107.00 East Coast sellers. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Sept.	110.30	—0.05	104.10	+0.20
Nov.	116.90	—0.10	108.10	—
Jan.	117.65	—0.10	111.60	—0.10
Mar.	120.75	—0.30	114.85	—0.10
May.	124.25	+0.25	118.05	—0.10

Business done—Wheat: Sept 110.30-110.25, Nov 114.10-113.90, Jan 117.75-117.60, Mar 121.05-120.75, May 124.30-124.25. Sales: 81 lots of 100 tonnes. Barley: Sept 104.10 only, Nov 108.10-108.00, Jan 111.65-111.60, Mar no trades, May 118.10 only. Sales: 29 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids 100.00, N. East 99.30. The UK Monetary Coefficient for the week beginning Monday, July 19 is expected to remain unchanged.

RUBBER

The London physical market opened easier, attracted little interest throughout the day and closed quiet. Lewis and Peat recorded an August fob price for No. 1 RSS in Kuala Lumpur of 199.5 (200.75) cents a kg and SMR 20 173.5 (175.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Aug	48.40-50.50	49.50-50.20	—
Sept	50.40-50.90	50.80-51.20	—
Oct-Dec	51.90-51.90	52.50-52.60	52.20-51.80
Jan-Mar	54.50-54.80	55.30-55.40	55.10-54.70
Apl-Jne	57.20-57.40	58.00-58.20	57.60-57.50
Jly-Sept	59.50-60.00	60.50-60.90	60.50-60.00
Oct-Dec	62.70-62.80	63.50-63.80	63.00-62.80
J'n-Mch	65.30-65.40	66.10-66.30	65.80
Apl-Jne	68.00-68.20	68.70-69.30	—

Sales: 131 (140) lots of 15 tonnes, nil (25) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 48.50p (48.75p); Aug 50.90p (51.25p); Sept 50.75p (51.50p).

SOYABEAN MEAL

The market opened slightly lower in thin conditions, reports T. G. Roddick. Prices remained in narrow ranges throughout the day.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
August	125.60-26.0	—0.60	126.00
October	128.80-29.5	—0.50	129.20
Dec.	133.30-33.5	—0.70	133.70-33.20
Feb	136.70-37.9	—0.90	—
April	138.10-38.4	—0.70	—

Sales: 34 (601) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £124.00 (£123.00) a tonne cif July-Aug-Sept shipment. White sugar daily price £154.00 (same).

No.4 Con-tract	Yesterday close	Previous close	Business done
	£ per tonne		
Aug	124.60-24.50	120.50-20.55	127.00-23.25
Oct.	151.80-51.85	150.55-50.45	155.75-50.00
Jan.	136.00-40.00	135.75-35.80	—
March	142.25-42.40	141.50-41.40	146.25-41.25
May.	145.00-45.40	145.80-44.20	—
Aug.	148.00-51.00	147.00-47.45	149.00
Oct.	152.75-58.00	150.50-50.75	153.60

Sales: 4,057 (6,510) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £221.00 (£230.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for July 15: Daily price 8.60 (8.99); 15-day average 7.79 (7.67).

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	33.26	+0.75
Iranian Light	31.50	+0.50
Arabian Heavy	29.70	+0.20
North Sea (Forties)	33.57	+0.67
African (Bonny Li'ht)	34.50	+0.36
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	348	+2.0
Gas oil	376	+9.3
Heavy fuel oil	168	—3.0

GAS OIL FUTURES

A strong New York close prompted a higher opening and prices steadied, touching off some stops and attracting nervous short-covering. Trade selling at the highs pushed the market down before it steadied again on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
July	273.26	+5.75	270.75-69.00
August	273.23	+4.75	280.00-75.00
Sept.	280.06	+5.25	280.25-75.00
Oct.	283.66	+6.25	283.25-78.00
Nov	284.83	+6.00	284.25-79.50
Dec	286.00	+6.50	286.00-81.00
Jan.	288.50	+6.00	285.00
Feb.	287.75	+5.75	—
March	289.50	+6.25	—

Turnover: 2,795 (3,228) lots of 100 tonnes.

AMERICAN MARKETS

NEW YORK, July 16.

The precious metals showed sharp gains on weakness in the dollar. Copper attracted keen buying in line with precious metals. Cocoa and coffee rallied on short covering. Sugar continued under pressure from fundamentals. The strength in wheat was due to outstanding commercial buying in Kansas City and Minneapolis futures. Heating oil was sharply higher on continued concern about the unsettled Middle East situation, reported Heinold.

Copper—July 65.15 (63.85), Aug 65.50 (64.40), Sept 66.10-66.40, Dec 68.40-68.70, Jan 69.35, March 70.90-71.00, May 72.40, July 73.85, Sept 75.30, Dec 77.50, Jan 78.25, March 79.70, May 81.15. Sales: 6,500.

*Gold—July 349.9 (344.1), Aug 351.0-352.0 (345.7), Sept 355.5, Oct 359.0-350.2, Dec 368.5-368.5, Feb 374.0, April 385.6, June 391.5, Aug 398.8, Oct 408.3, Dec 418.3, Feb 425.6, April 434.3.

*Platinum—July 286.2 (288.2), Oct 302.0-303.0 (294.7), Jan 316.0, April 320.0, July 328.0. Sales: 1,177.

Potatoes (round whites)—Nov 72.0 (71.5), March 84.0-84.5 (82.4), April 94.5-95.0 (93.5). Sales: 438.

†Silver—July 649.8 (633.0), Aug 653.6 (636.6), Sept 658.0-663.0, Dec 682.5-687.0, Jan 693.4, March 709.6, May 725.8, July 742.0, Sept 758.2, Dec 782.5, Jan 790.0, March 806.8, May 823.0. Handy and Harman bullion spot: 640.00 (649.00).

Sugar—No. 11: Sept 8.80-8.86 (9.12), Oct 9.88-9.00 (9.34), Jan 9.35-9.50, March 9.80-9.85, May 10.15, July 10.30-10.35, Sept 10.60-10.65, Oct 10.70-10.75. Sales: 7,037.

Tin—530.00-536.00 (533.00-530.00).

CHICAGO, July 16.

Lard—Chicago loose 22.50 (22.00). Live Cattle—Aug 64.85-64.75 (64.77), Oct 63.30-63.40 (62.90), Dec 63.10-63.20, Feb 62.25-62.35, April 62.00, June 63.00, Aug 62.50.

Live Hogs—July 61.20-61.10 (60.07), Aug 59.25-59.05 (59.45), Oct 57.20-56.90, Dec 56.50-56.55, Feb 54.10-54.15, April 50.47, June 51.45, July 51.45, Aug 49.90.

‡‡Maize—July 272½-273½ (270¼), Sept 264½-264¾ (264½), Dec 263½-263, March 277, May 286-285¾, July 292.

Pork Bellies—July 77.70-77.00 (78.42), Aug 74.50-74.20 (75.35), Feb 73.30-73.00, March 73.00, May 70.10-69.60, July 70.90-70.00, Aug 69.40-69.10.

†Soyabeans—July 625½-626 (627¼), Aug 624-623½ (624½), Sept 621, Nov 623½-623, Jan 637½, March 655, May 668, July 679.

||Soyabean Meal—July 182.8 (183.2), Aug 181.5-181.7 (181.7), Sept 181.0, Oct 181.2, Dec 185.0-185.1, Jan 187.5, March 190.5-191.2, May 196.0-196.5, July 200.0.

Soyabean Oil—July 19.73 (19.71), Aug 18.72-18.75 (18.73), Sept 18.85-18.83, Oct 18.96-18.98, Dec 19.33-19.30, Jan 19.55, March 19.85-19.95, May 20.05-20.10, July 20.25-20.35.

†Wheat—July 342 (328¼), Sept 354-353½ (350¼), Dec 377-376¾, March 393¾, May 401¼, July 400.

WINNIPEG, July 16.

§Barley—July 123.9 (122.5), Oct 115.0 (116.1), Dec 117.7, March 122.9, May 124.0.

§Wheat—SCWRS 13.5 per cent protein content cif St Lawrence 233.94 (230.89).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lb) § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, July 15.

11Cocoa—July 1355 (1401), Sept 1395 (1441), Dec 1465, March 1535, May 1580, July 1622, Sept 1659. Sales: 3,938.

Coffee—"C" Contract: July 136.90 (138.40), Sept 123.70-123.90 (125.53), Dec 117.00-117.25, March 112.75-113.00, May 108.00, July 107.50-108.00, Sept 108.00, Dec 104.50. Sales: 1,962.

Cotton—No. 2: Oct 71.10-71.20 (71.92), Dec 73.26-73.30 (74.12), March 75.30, May 76.45-76.70, July 77.60-78.10, Oct 77.25-77.50, Dec 76.03-76.25. Sales: 6,700.

Heating Oil—(cents per U.S. gallon): Aug 90.00-90.25 (88.65), Sept 89.20-89.50 (88.31), Oct 88.50-89.60, Nov 89.60, Dec 91.15-91.50, Jan 91.00, Feb 90.00, March 91.50, April 91.00, May 89.50.

Orange Juice—July 125.50-125.90 (125.40), Sept 126.25-126.30 (127.35), Nov 126.00-126.20, Jan 126.60-126.90, March 128.10-128.50, May 129.40-129.70, July 130.59-130.70, Sept 131.60-131.80, Nov 132.70-133.80. Sales: 800.

*Platinum—July 285.2 (290.1), Oct 294.1-295.0 (298.6), Jan 302.4, April 311.1, July 319.0. Sales: 2,029.

Chicago Imm Gold—Sept 349.8-349.5 (352.8), Dec 361.0-361.3 (364.7), March 373.4, June 385.5, Sept 397.8.

GOLD MARKETS

Gold fell $5 an ounce from Thursday's close in the London bullion market yesterday to finish at $344½-345½. It opened at $343-344 and traded between a low of $343-344 and a high of $347½-348½. However, there was little clear trend ahead of the release of U.S. money supply figures, or after the close of business in London.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	£ per troy ounce		
August	202.00-2.10	-2.075	203.40-1.70
Sept'mb'r	205.40-4.60	-2.200	—
October	205.20-5.50	-2.325	206.30-5.50
November	206.50-7.70	-2.650	—
December	208.50-9.05	-2.875	210.10-9.10
January	209.70-11.1	-2.750	—

Turnover: 857 (1,069) lots of 100 ounces.

	July 16		July 15	
Gold Bullion (fine ounce)				
Close	$344½-345½	(£200¼-201)	$342½-350½	(£203¼-203¾)
Opening	$343-344	(£199½-200)	$346½-347½	(£200¾-201¼)
Morning fixing	$345¼	(£200.896)	$347¼	(£201.594)
Afternoon fixing	$347	(£201.a201)	$350¼	(£203.634)
Gold Coins July 16				
Krugrnd	$355-356¾	(£200¼-206½)	King Sov	$87-89 (£50½-51½)
½ Krug	$183-184	(£106¼-106¾)	Victoria Sov	$87-89 (£50½-51½)
¼ Krug	$93¼-93¾	(£54½-54½)	French 20s	$71.5-82.1 (£41¾-47½)
1/10 Krug	$38-39	(£22-22½)	50 pesos Mex.	$425.4-428.3 (£246-247½)
Mapleleaf	$355-356	(£206¼-206¾)	100 Cor. Aust	$337.5-339.8 (£126-197½)
New Sov	$82-82½	(£47½-48)	$20 Eagles	$320-400 (£226½-232½)

LONDON TRADED OPTIONS

July 16 Total Contracts 1043 Calls 695 Puts 348

Option	Ex'reise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	280	4	27	12	25	24	—	268p
BP (c)	300	1	—	2½	2	15	—	"
BP (p)	260	3	10	8	—	13	—	"
BP (p)	280	14	—	22	—	28	2	"
BP (p)	300	34	2	35	6	40	6	"
BP (p)	330	64	—	66	50	68	—	"
CU (c)	150	9	3	14	—	18	—	136p
Cons. Gld (c)	380	6	20	17	0	28	—	379p
Cons. Gld (p)	320	5	—	17	2	30	—	"
Ctlds. (c)	80	1	—	2½	2	5	—	77p
GEC (c)	900	130	2	150	—	170	—	810¼
GEC (c)	1000	35	15	65	1	93	—	"
GEC (p)	800	¾	—	3	10	5	—	"
GEC (p)	850	1	—	6	3	10	—	"
GEC (p)	1000	10	—	30	2	45	—	"
Gr'd Met. (c)	194	41	2	46	—	51	—	234p
Gr'd Met. (c)	220	16	5	21	—	28	2	"
Gr'd Met. (c)	240	2	—	10	—	12	2	"
Gr'd Met. (p)	220	1½	2	8	—	11	—	"
Gr'd Met. (p)	240	10	—	13	3	01	—	"
ICI (c)	280	24	8	32	1	40	—	300p
ICI (c)	300	7	7	17	30	30	—	"
ICI (p)	280	1	10	6	—	9	—	"
ICI (p)	300	6	22	16	37	22	—	"
ICI (p)	330	32	11	37	10	44	—	"
Land Sec. (c)	260	13	—	24	5	33	—	270p
Land Sec. (c)	280	3	—	13	7	22	—	"
Land Sec. (c)	300	¾	—	7	—	13	2	"
Shell (c)	360	36	3	44	—	50	—	394p
Shell (c)	390	14	—	24	2	32	—	"
Shell (c)	420	3	—	13	30	22	—	"
Shell (p)	390	7	2	17	—	22	—	"
Shell (p)	420	23	—	36	1	40	—	"
		August		November		February		
Barclays (c)	350	30	1	40	—	—	—	376p
Barclays (c)	383	8	6	22	—	—	—	"
Barclays (p)	350	1	3	5	—	7	—	"
Barclays (p)	360	6	10	11	—	15	—	"
Barclays (p)	383	15	1	00	—	55	—	"
Imperial (c)	70	27½	2	—	—	—	—	07p
Imperial (c)	80	17½	4	21	—	—	—	"
Imperial (c)	90	8	64	11½	2	15	15	"
Imperial (c)	100	2	15	5½	6	9	55	"
Imperial (c)	110	¾	—	5	33	5	50	"
Imperial (p)	90	1	—	0	—	2½	60	"
Imperial (p)	100	4	15	5½	17	7½	—	"
Imperial (p)	110	14	6	14½	20	15	—	"
Lasmo (c)	500	15	1	34	5	50	—	299p
Lasmo (c)	330	5	4	10	0	34	—	"
Lasmo (c)	360	2	—	9	0	22	—	"
Lonrho (c)	70	16	—	17	1	18	—	84p
Lonrho (c)	80	7½	4	10½	15	10	5	"
Lonrho (c)	80	3	17	5½	16	8	15	"
Lonrho (p)	80	8	—	4½	1	7	—	"
Lonrho (p)	90	7	—	10	—	11	4	"
P & O (c)	160	0	—	8	—	11	5	148p
Racal (c)	390	80	2	23	—	110	—	465p
Racal (c)	420	50	30	68	—	88	—	"
Racal (c)	460	14	5	34	—	48	12	"
Racal (p)	390	1	—	5	1	12½	—	"
Racal (p)	420	5	—	12	5	20	10	"
Racal (p)	460	12	12	20	—	28	—	"
RTZ (c)	360	42	10	60	2	64	—	394p
RTZ (c)	390	17	2	35	1	43	—	"
RTZ (c)	420	5	—	19½	1	30	6	"
RTZ (c)	460	1½	—	6	—	17	6	"
RTZ (p)	390	15	—	25	1	33	—	"
RTZ (p)	420	37	—	44	—	50	10	"
Vaal Rfs. (c)	40	7¾	10	0	0	11	—	$46
Vaal Rfs. (c)	45	3¾	26	6½	1	7½	—	"
Vaal Rfs. (c)	50	1	1	3½	6	3¾	—	"

C=Call P—Put

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$325	2	20 B	—	—	10	66	$347.95
GOLD C	$350	26	14	2	30	48	40	"
GOLD C	$375	3	5.50	10	12.50	—	—	"
GOLD C	$400	4	1.50	5	9	—	—	"
GOLD P	$300	—	—	34	8 A	—	—	"
GOLD P	$325	42	6	8	13 A	—	—	"
GOLD P	$350	31	16	14	25	68	25	"
GOLD P	$375	30	32.80	70	35 A	—	—	"
GOLD P	$425	1	78	—	—	—	—	"
12¾ NL 81 87-91								
C	F.107.50	2	4 B	—	—	—	—	F.111.80
C	F.110	200	2.10	—	—	—	—	"
C	F.110.50	500	0.60	—	—	3	1.90	"
10¾ NL 80 86-95								
C	F.100	—	—	50	2.40	—	—	F.100.80
P	F.100	20	0.50	—	—	—	—	"
11¼ NL 82 88-92								
C	F.105	200	0.10	—	—	—	—	F.102.40
		July		Oct.		Jan.		
ABH P	F.280	—	—	11	12	—	—	F.275
AKZO C	F.22.50	100	2	—	—	—	—	F.24.30
AKZO C	F.25	—	—	60	1.10	—	—	"
AKZO P	F.25	87	0.90	12	1.50	—	—	"
AKZO P	F.27.50	30	3	—	—	—	—	"
AMRO C	F.45	—	—	21	2.20 B	15	3.50	F.46
AMRO C	F.50	—	—	16	0.60	—	—	"
AMRO P	F.45	—	—	32	2.80	17	3.50	"
AMRO P	F.50	10	5	—	—	—	—	"
HEIN C	F.50	20	8.50 B	20	2.30	—	—	F.59.10
HEIN C	F.55	17	4.70	—	—	—	—	"
HEIN C	F.30	20	0.10	29	2.30	—	—	"
HEIN P	F.30	30	1.20	—	—	—	—	"
HOOG C	F.16	32	0.80	—	—	—	—	F.15.50
HOOG C	F.17.50	—	—	10	0.90	12	1.50	"
HOOG C	F.20	—	—	—	—	10	0.50	"
HOOG P	F.17.50	6	1.80	—	—	—	—	"
IBM C	$65	12	1⅛	40	4¼	—	—	$66⅞
IBM P	$60	—	—	30	0 11/16	—	—	"
KLM C	F.80	6	9 A	7	12	—	—	F.88.50
KLM C	F.90	156	0.10	—	—	—	—	"
KLM C	F.100	—	—	33	2.80	6	5.50	"
KLM C	F.130	—	—	10	0.80	a	1.50	"
KLM P	F.80	—	—	41	2.20	20	3.40	"
KLM P	F.90	427	1.40	66	6.50	—	—	"
KLM P	F.100	52	11.50	—	—	—	—	"
NEDL C	F.110	102	1.30	7	5	—	—	F.111
NEDL P	F.120	—	—	—	—	12	4.10	"
NEDL P	F.110	12	0.10	27	3	10	4	"
NEDL P	F.120	114	2 B	—	—	—	—	—
NATN C	F.115	10	2	—	—	—	—	F.116.20
PHIL C	F.20	151	3.10	—	—	—	—	F.23.30
PHIL C	F22.50	817	0.50	21	1.50	—	—	"
PHIL C	F.25	—	—	44	0.50	21	1	"
PHIL P	F.22.50	—	—	—	1.70	25	0.90	"
PHIL P	F.25	—	—	—	—	25	0.20	"
RD C	F.70	0	15.70	—	—	—	—	F.85.70
RD C	F.80	45	5.80	66	8	—	—	"
RD C	F.80	—	—	117	2.30	—	—	"
RD C	F.100	—	—	20	0.50	—	—	"
RD P	F.80	—	—	50	1.60	21	2.40	F.85.70
RD P	F.90	21	4.50 A	—	—	—	—	"
UNIL C	F.150	7	0.10	—	—	—	—	F.148.70
UNIL P	F.150	10	2 A	5	4.30 B	—	—	"

TOTAL VOLUME IN CONTRACTS 4628
A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %	Grindlays Bank	‡12 %
Allied Irish Bank	12 %	■ Guinness Mahon	12 %
Amro Bank	12 %	■ Hambros Bank	12 %
Henry Ansbacher	12 %	Hargrave Secs. Ltd.	12 %
Arbuthnot Latham	12 %	Heritable & Gen. Trust	12 %
Associates Cap. Corp.	12 %	■ Hill Samuel	§12 %
Banco de Bilbao	12 %	C. Hoare & Co.	†12 %
BCCI	12 %	Hongkong & Shanghai	12 %
Bank Hapoalim BM	12 %	Kingsnorth Trust Ltd.	13 %
Bank of Ireland	12 %	Knowsley & Co. Ltd.	12½%
Bank Leumi (UK) plc	12 %	Lloyds Bank	12 %
Bank of Cyprus	12 %	Mallinhall Limited	12 %
Bank Street Sec. Ltd.	13½%	Edward Manson & Co.	13½%
Bank of N.S.W.	12 %	Midland Bank	12 %
Banque Belge Ltd.	12 %	■ Samuel Montagu	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Morgan Grenfell	12 %
Barclays Bank	12 %	National Westminster	12 %
Beneficial Trust Ltd.	13 %	Norwich General Trust	12 %
Bremar Holdings Ltd.	13 %	P. S. Refson & Co.	12½%
Brit. Bank of Mid. East	12 %	Roxburghe Guarantee	13 %
■ Brown Shipley	12½%	Slavenburg's Bank	12 %
Canada Perm't Trust	13 %	Standard Chartered	‖12 %
Castle Court Trust Ltd.	12½%	Trade Dev. Bank	12 %
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	12 %
Cayzer Ltd.	12½%	TCB	12 %
Cedar Holdings	13 %	United Bank of Kuwait	12 %
■ Charterhouse Japhet	12½%	Volkskas Intl. Ltd.	12 %
Choulartons	13 %	Whiteaway Laidlaw	12½%
Citibank Savings	¶12½%	Williams & Glyn's	12 %
Clydesdale Bank	12 %	Wintrust Secs. Ltd.	12 %
C. E. Coates	13 %	Yorkshire Bank	12 %
Comm. Bk. of Nr. East	12 %		
Consolidated Credits	12½%		
Co-operative Bank	*12 %		
Corinthian Secs.	12 %		
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E.T. Trust	12½%		
Exeter Trust Ltd.	13 %		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	15 %		
Robert Fraser	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1 month 9.25%. Short term £8,000/12-month 11.6%.
† 7-day deposits on sums of: under £10,000 9%, £10,000 up to £50,000 9¾%, £50,000 and over 10½%.
‡ Call deposits £1,000 and over 9%.
‖ 21-day deposits over £1,000 10%.
§ Demand deposits 9%.
¶ Mortgage base rate.

Stock Exchange dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Service.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

INSURANCE

General Acc Fire Life 7¼pcLn 1987/92

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 30 (13/7)
East Rand Prop. Options 29
Eastern Transvaal Cons (R0.50) 422
Griqualand Exploration Finance (R0.05) 80
Middle Witwatersrand (Western Areas) 8pcPf (R1) 13 (14/7)
New Central Witwatersrand Areas (R0.50) 266 (9/7)
New Kleinfontein Prop (R0.25) 45 (14/7)
Western Deep Levels Option 287 (12/7), 12pcDb (R1) 34½ (12/7)

WATER WORKS

Bournemouth District 3.5pc (formerly 5pc) £32 (12/7)
Bristol Waterworks 4.9pc (formerly 7pc) £44. 3.5pc (formerly 5pc) Pf £32½. 4.025pc (frmly 5¾pc) Pf 1983-88 £71. 4pcDb £22½ (12/7)
Cambridge Water 7pcDb 1983-85 £82½ (14/7). 9¼pcDb 1982-97 £89½ (12/7)

APPOINTMENTS

New chairman for N. G. Bailey

New chairman of N. G. BAILEY AND CO., Bradford, is Mr. Peter Mawson. He succeeds the late Mr Derek W. Gillespie.

★

Mr Geoffrey Cross has joined the board of INFORMATION TECHNOLOGY and one of its subsidiary companies, Office Technology, as a non-executive director. He is chairman of Grundy Environmental Systems, a U.S. company, based in San Diego in which he is a major shareholder. He was formerly managing director of ICL and more recently president of A. B. Dick.

★

The American parent company of DAVID BROWN TRACTORS — the JI Case Company of Racine, Wisconsin, U.S., has appointed Mr John S. Kelly as general manager of international agricultural marketing activities. The marketing management of David Brown Tractors will report to Mr Kelly.

★

Mr John L. Hudson has been appointed general manager of DELTA's gas controls and engineering division. He was previously managing director of Ewarts, and Sperryn & Co.

★

The Lord Chancellor and the Lord Advocate have appointed Professor Lionel Neville Brown to be a member of the COUNCIL ON TRIBUNALS from July 20.

★

Mr L. D. Dukes has become an associate director of ORION ROYAL BANK.

★

Mr John C. Jeffrey, a director and managing director of HUMPHRIES FILM LABORATORIES, retires on October 1. He will continue as a part-time consultant. Mr Geoff Bridge, finance director, will take over additional responsibility as general manager.

★

Following the restructuring of the Antofagasta Railway Company and the formation of ANTOFAGASTA HOLDINGS, Viscount Montgomery of Alamein has resigned as chairman and as a director but will become a consultant to the company. Mr Greville J. MacGillivray and Mr Eduard Will have also resigned. Mr Andronico Luksic Abaroa has been appointed chairman and Mr Andronico Luksic Craig a director. Mr Abaroa is president of the Chilean company which is the major shareholder of Antofagasta Holdings and is also president of Banco O'Higgins in which the group has a substantial interest.

★

Mr F. C. E. Telfer, formerly a partner with Carr, Sebag & Co., has joined LAURIE, MILBANK & CO.

★

Mr Alan Spall, deputy chief accountant of ICI's Mond Division, has been appointed a non-executive director of ELLIS & EVERARD. His appointment follows the resignation of non-executive director, Mr David Green.

★

K. E. MILLARD & CO. has appointed Mr Malcolm P. Scott a director and general manager of Millard Homes, to the board of the holding company. Mr R. W. (Bob) Rands also joins the board of K. E. Millard and becomes director and general manager of Millard Contractors. Mr R. A. Stickings and Mr M. Richards have resigned from the board of the holding company.

★

Mr William J. Boyle, lately superintending estate surveyor, Property Services Agency, has joined HENRY DAVIS & CO. as consultant.

★

Mr Brent Andrus has been appointed marketing director for THE PALITOY COMPANY. He is from the U.S. where he was marketing director for Procter and Gamble, in Cincinnati.

★

Mr A. J. Beale has been appointed director—public services sector—by PA MANAGEMENT CONSULTANTS.

★

Mr Hans Christian Boysen, regional manager for the KUEHNE & NAGEL organisation in Great Britain, Ireland and Scandinavia has retired. His place is being taken by Mr Klaus E. Momm, regional director for Africa and Australia, who now will also be responsible for the UK.

★

The chief estates manager of NORWICH UNION INSURANCE, Mr John Darby, and estates manager Mr David Weyer, are to retire on December 31. From January 1 1983 Mr Martin Olley will become chief estates manager; Mr Jack Abel deputy chief estates manager; and Mr Derek Butcher, estates manager.

★

Mr John Dennis, Mr Michael Thomas and Mr Fred Hoskin are to join the partnership of BUCKMASTER & MOORE, stockbrokers, from July 16.

★

Mr Bryan Shaw has been appointed chairman of the FOOTWEAR ECONOMIC DEVELOPMENT COMMITTEE of the National Economic Development Council. Mr Shaw is a non-executive director of Van-Dal Shoes; and chairman of the EDC's Exports Steering Group which is looking at ways of increasing footwear exports to France and West Germany.

★

Bowring UK has formed a new company based in London called BOWRING UK MARINE CARGO to handle the UK marine cargo insurance business which has been transferred from the marine division of C. T. Bowring and Co. (Insurance). The officers are: chairman: Mr J. M. Bozman; chief executive: Mr N. J. B. Large; directors: Mr D. Harrowell, Mr H. M. J. Ritchie, Mr W. C. Rance and Mr N. P. Smith; secretary: Mr R. W. Fothergill; and accountant: Mr M. J. Thornton.

C. T. Bowring and Co (Insurance) has made the following appointments: general insurance division: Mr S. L. R. Matanle to director; energy and liabilities division: Mr M. Ridd to director; and aviation division: Mr P. R. Jakes to director.

★

Mr Ian Garnish has joined SAUNDERS VALVE COMPANY, valve division, as production director and board member, responsible for production at the company's Cwmbran plant. He was production director at Hobourn-Eaton, Rochester.

★

Mr Colin Sandford of Currys has taken up a four-year appointment as vice-chairman and chairman-elect of the CODE OF ADVERTISING PRACTICE COMMITTEE.

★

MORGAN GRENFELL AND CO has appointed Mr A. J. Brown, Mr P. J. King and Mr G. A. Owen as senior assistant directors and Mr A. M. Arnold-Boakes, Mr J. J. J. Neal, Mr E. D. S. Page and Mr D. G. G. Puddle as assistant directors.

★

Mr J. P. C. Danny has resigned as a director of MITCHELL SOMERS and Mr A. R. Abel has been appointed a director.

★

Mr M. S. Russell has been appointed financial director of MYSON COPPERAD, a member of the Myson Group.

★

Mr H. D. Seddon has been appointed assistant general manager, British Engine Insurance and a deputy underwriting manager of ROYAL INSURANCE (UK).

★

Mr Alasdair Sutherland has been appointed to the board of GOOD RELATIONS GROUP as chief executive of Good Relations Limited, the group's consumer public relations subsidiary. He was previously vice president and divisional director of Burson-Marsteller Marketing Communications in Hong Kong.

★

Thomson McLintock and Co., British member of KMG, has appointed Mr F. E. Budd a consultant on local authority affairs.

★

Mr William H. Beaton has been appointed as a member of the ALLIANCE BUILDING SOCIETY'S Scottish board, following the death of Mr William Whyte Jamieson earlier this year. Mr Beaton was previously a general manager of the Clydesdale Bank.

★

BOSTIK has appointed Mr Frank J. Short as director of sales and marketing, and Mr Geoffrey Gurling, as director of manufacture.

★

Mr John Parker has been appointed sales and marketing director of HOLT LLOYD, the UK operating subsidiary of Holt Lloyd International, car care chemicals group. He joins the company from a similar position with Wellco Electric.

★

From December 1 Mr John F. Hinch will be managing director of HEINZ UK. Mr Hinch, who joined Heinz in 1955, will succeed Mr Richard L. Beattie, who has been named president of Star-Kist Foods Inc, a major Heinz subsidiary located in California. From September 1 Mr David W. Sculley becomes deputy managing director of Heinz UK, responsible for marketing, sales and new business. He will succeed Mr Roy King, who will join the corporate development group at world headquarters as area director for SE Asia and North Pacific.

East Surrey 4.2pc (formly 6pc) Pf 1985-90 £61. 4.55pc (fmly 6½pc) Pf 1981-83 £93¼ (9/7). 4pcDb £27 (13/7)
East Worcestershire 6.3pc (formerly 9pc) Pf 1092-94 £67 (9/7). 7pcDb 1080-91 £61. 8pcDb 1991-93 £85 (12/7)
Eastbourne 5.6pc (formerly 8pc) Pf 1086-88 £71 (9/7). 10½pcDb 1095-97 £76½
Essex Water 3.5pc (formerly 5pc) £34 (13/7). 5pcDb 1986-01 £50 (13/7). 7pc Db 1987-89 £66 (12/7). 7½pcDb 1991-03 £61½ (14/7). 10pcDb 1902-94 £75½ 6½. 10½pcDb 1994-96 £77
Folkestone District 2.6pc (formerly 4pc) Pf £24 (13/7)
Lee Valley 4.2pc (formly 6pc) Pf 1082-84 £79½ 83 (12/7). 4pcDb £25½
Mid Kent 5pcDb £32
Mid-Southern 3.5pc (formerly 5pc) £32 (14/7). 7pcDb 1987-89 £65 (9/7)
Newcastle Gateshead 7pc (formly 10pc) £51 (13/7). 4.9pc (fmly 7pc) (1898) £35. 4.025pc (fmly 5¾pc) Pf 1982-84 £86½ (12/7). 5pcDb £50 (13/7). 8pc Db 1992-94 £64½ (10/7)
North Surrey 4.2pc (fmly 6pc) Pf 1984-88 £74 (2/7)
Portsmouth 10pcDb 1982 £101 (9/7)
Rickmansworth Uxbridge 7½pcDb 1991-03 £63½ (0/7)
South Staffordshire 4pcDb £25¼ (13/7)
Sunderland South Shields 4.2pc (fmly 6pc) Pf 1986-88 £68 (0/7). 10pcDb 1992-94 £75½
West Hampshire 3.15pc (fmly 4½pc) Pf £10 230 (12/7)
Wrexham East Denb. 3.5pc (fmly 5pc) Pf £32 (13/7)

UNLISTED SECURITIES MARKET

Anglo Nordic Hldgs. (5p) 40 1
Black (Michael) (20p) 00
CAMRA (Real Ale) (£1) 115
Carlton Real Estates (5p) 18½ 9½
Continental Microwave (Hldgs) (25p) 445 50 2 5
Cramphorn (£1) 740 (14/7)
Ecobric Hldgs (£1) 106 (13/7). New (£1) (fpd) 20/11/82) 105. New (£1) 90 1 2 (14/7). Dfd (£1) 82 (14/7)
Eldridge, Pope A (£1) 443
Exeter Buildings Construction (50p) 170
Fuller, Smith Turner A (£1) 580
Knight Computer Internat. New (15p) (fp/LA)6/8/82) 58 7 8
London Continental Hldgs (8p) 25. 11½pc UnLn 1900-02 £109 (13/7)
Macarthy Stone (20p) (fp/a) 30/7/82) 188
Merrydown Wine 25p 111 2 3 4½
Miberohim Reprographics (10p) 630
Midland Marts 45p 64
Miles 33 (10p) 118
New Court Natural Resources Wrnts 5 (14/7)
Oilfield Inspection Services (20p) (13/8/82) 153 7
Oslo City (Sound of Merseyside) A 90
Ruddle (G.) (10p) 180

Television South 14/20pcUnsLn. 1986-88 £07½ 8½ (13/7)
Thorpac (5p) 87 (14/7)
United Friendly B (10p) 198½ (14/7)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

AOG 5 (13/7)
Alliance Oil Devpt Australia 37@ 90 (9/7)
Amad 7 (13/7)
American Electric Power 830
American Home Products £22¾
American Standard £12¼ (12/7)
Ampol Petroleum 69
Amsterdam Rotterdam Bank £9¾ (14/7)
Apex Oil (A$0.25 Pd.) 8 (13/7)
Ashton Mining 44
Assoc Mins Cons 13 (13/7)
Atlantic Richfield US$37¾
Australian Cons Minerals 13
Australian Foundation 60
Australian Oil and Gas 64
BP Canada £10
Basic Resources Intnl. 165 (14/7)
Basin Oil 115
Bass Strait Oil and Gas 2 (13/7)
Batu Kawan Berhad 78 (13/7)
Beach Pet 14
Boral 135 (12/7)
Bridge Oil 9½ (13/7)
Bukit Sembawang Ests 95 (14/7)
Cannon Inc 151 6 (9/7)
Carnation £18½
Central Norseman 230 3½ 4¼ 5
Chariot Resources 125@ (14/7)
Cities Service US$52½ (14/7)
Cluff Oil Australia 21 (14/7)
Coca-Cola £20¼ (13/7)
Coles (G. J.) 118 (14/7)
Conex Australia 1½ (14/7)
Cons Gold Mining Areas (A$0.25) 11½@ (13/7)
Crusader Oil 240 (9/7)
Dvpt Bank Singapore 20a
Digital Equipment £41½ 2 (13/7)
Dome Mines 370 6½
Dresdner Bank £32 (14/7)
Du Pont (E.I.) De Nemours £18⅞ (14/7)
EZ Inds 100 (14/7)
Eastman Kodak £43½ US$75¾ (14/7)
Emerson Electric £27¼ (13/7)
Energy Res of Aust 84 (0/7)
Engelhard Corp £10¾
Forsyth Oil and Gas 19 (13/7)
Gearhart 975 (12/7)
Getty Oil £29
Grace Bros 208 (15/7)
Greenvale Mining 100
Gulf Canada 590 (10/7)
Hartogen Energy 98 102
Hecla Mining 525 (12/7)
Hewlett Packard £26¾
Hill 50 Gold Mines 13½@ (13/7)
Hill Minerals 9
Homestake Mining £12½@
Hong Kong Telephone 295 300 (14/7)
Hooker Corp 55 (13/7)
Hospital Co of America US$32½ (14/7)
IAC 270 (9/7)
Int Communications Technology Hldgs £19¼ 20 ¼ ½
Jardine Matheson Finance 20 (13/7)
Jardine Matheson Fin Wrnts 9½pcLn 1984-1905 £6 (13/7)
Jardine Secs Wrrnts 50
Johnson and Johnson £22½ (14/7)
Kerr McGee £18⅛ ¼
Leonard Oil 8½
Madison Fund £10 (12/7)
Magnet Metals 5½@ (14/7)
Marks and Spencer Canada 350 (13/7)
Minnesota Mining £13½ (13/7)
Monarch Pets 50
Moore Corp £15⅛@ (13/7)
Myer Emporium 75 (13/7)
NL Inds £11.10
Negri River 10 (14/7)
Newmont Mining £19⅞ (13/7)
Nicholas Kiwi 69 70
Noranda Mines 480 (9/7)
Oakbridge 76 7
Oil Co of Australia 33
Oil Search 7 ¾ 8
Otter Expln 190
Pancontinental Petroleum 11@ 12
Pancontinental Petroleum Opts 70
Pennine Res US$37¼ (12/7)
Penney (J.C.) 240 (14/7)
Pepsico £10⅛@
Petrofina SA £480 (10/7)
Phelps Dodge £13⅛@ (14/7)
Philip Morris US$49⅛@ ¾ (12/7)
Pioneer Concrete 73
Placer Development 200 (14/7)
Poseidon 94 6 7 8½ 9 100½
Prime Computer 900 (14/7)
Protea 96 (13/7)
Queen Margaret Mines 4½
RCA £10 (14/7)
Raytheon £21¼
Reef Oil 85 8 7 (14/7)
Remies Cons 180
Dovex Sturgex Mining 930 8 (13/7)
Samantha Expln 100 8
Samson Expln 6
Security Tag Systems 101@ 1 3 4
Selangor Coconuts 67
Shell Canada A C$16½
Sparqo 9½
Standard Oil of California £18
Standard Oil of Indiana £23
Standard Oil of Ohio US$30½
Stelco Class A Conv 740 (12/7)
Sturts Meadow Prospecting 33½ ½ (14/7)
Super Valu Stores 980 (13/7)
Superior Oil £16¼
Target Oets (A$0.15 pd) 11
Teck Con B 280 (14/7)
Texas Oil and Gas £14¼
Timor Oil 3 (9/7)
Tri-Continental £10½
Unilever NV (Fl 20) £31½ (13/7)
Union Oil of California £18⅝ 77½
United Gold Fields (Aust) 20½ ¾ (9/7)
Utd Overseas Bank 55 3.75@ 3.830 (14/7)
Vallam Consd 50 5
Vamgas 335 (12/7)
Walter (Hiram) Resources 730
Warn Labs US$29½ (12/7)
Waste Management £17¼ ¾
West Coast Trans 500 (13/7)
Westfield Mins 50½
Westinghouse Elect £15¼ (13/7)
Wheelock Maritime B 2½ 3¼ (12/7)
Zone Petroleum 111½

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Adnams B £10.85 95 (14/7)
Ayrton Saunders 93 5 8 (9/7)
Bell 5pcPf (£1) 33 4 (9/7)
Berkeley and Hay Hill Invs 8½ ¾ 9 (14/7)
Birmingham City FC 700 800 50 (9/7)
Burrough (James) 115 23 (14/7)
Cannon St. Invs 11 (15/7)
Central TV 117 ½ (9/7)
Church Army Hsg Sec 2 secLn £12 (14/7)
CrC Inv ½ ¾ (14/7)
Dawson (Wm) 143½ 5 (15/7)
Darkwari Tea and Rubber Ests 3 4 (9/7)
Eastbourne Wtrwks 34 5
Gale (G.) 683 90 (14/7)
Grendon Grp 172 6 (13/7)
Heavitree Brewery 980 90 (14/7)
Heavitree Brewery A 965 75 90 (14/7)
Henderson Mng and Smelting 44½ 5 6 (14/7)
Home Brewery 715 7 (13/7)
Jennings Bros 184 6
Jersey Gas 3pcPf (£1) 17½ (15/7)
Jessel Tst 5 ½ (14/7)
LET Hldgs 195 200 (9/7)
Le Riches Stores 240 2 (14/7)
Lifeguard Ass 385 90 8 (15/7)
Londonderry Gas Light 43½ 6 (15/7)
Nationwide Leisure 11½
Nationwide Leisure 6.75pcPf (20p) 6 ½
NMW Computers 113 5 (14/7)
Norton Villiers Triumph ½ ¾ (15/7)
Oldham Ests 148 9 (15/7)
Panther Secs 147 (9/7)
PMPA Insce 37 (14/7)
Scottish Ceylon Tea 38 ½ 9 40 (15/7)
Shepherd Neame 800 700 (14/7)
Southern Newspapers 150 1 (9/7)
South Quay Invs 105 (15/7)
SPO Minerals 5 7 (15/7)
Sutton Harbour Improvement £18 (9/7)
3M UK 4¾pcPf ½ 9 (12/7)
Tisbury Brewery 05 100 (13/7)
Twinlock 10½ ¼ (15/7)
Twinlock 15pcLn 1976-99 £75 6 (9/7)

(By permission of the Stock Exchange Council)

MONEY MARKETS

Softer trend in rates

UK clearing bank base lending rate 12 per cent (since July 14)

UK interest rates were slightly easier yesterday, reflecting to some extent a softer trend in Euro-dollar rates ahead of U.S. money supply figures. Three-month sterling CDs were quoted at 12⅜-12¼ per cent down from 12½-12⅜ per cent while discount houses buying rates on three-month Treasury bills were marginally lower at 11⅝ per cent against 11⅔ per cent. This was in line with a further fall in the average rate of discount at the weekly Treasury bill tender. This fell to 11.6339 per cent from 11.7492 per cent.

In the interbank market weekend money opened at 12⅜-12½ per cent and rose initially to 12⅝-12⅞ per cent before slipping back to 12¼-12½ per cent. It touched a high of 13¼ per cent in the afternoon with closing balances taken nearer 12½ per cent.

The Bank of England forecasts a shortage of around £400m with factors affecting the market including bills maturing in official hands and a net take up of Treasury bills—£197m, and a rise in the note circulation of £200m, partly offset by Exchequer transactions of +£10m. The Bank gave assistance in the morning of £246m, comprising purchases of £13m of local authority bills in band 1 (up to 14 days) and £50m of eligible bank bills at 12⅛ per cent and in band 2 (15-33 days) £52m of eligible bank bills at 12 per cent. In band 3 (34-63 days) it bought £51m of eligible bank bills at 11⅞ per cent and in band 4 (64-84 days) £80m at 11⅞ per cent.

The forecast was revised to a shortage of around £450m before taking into account the morning's operations. It gave further assistance in the afternoon of £73m, making a grand total of £319m. The afternoon help was made up of purchases of £2m of eligible bank bills in band 1 at 12⅛ per cent, £10m of Treasury bills in band 2 at 12 per cent and £50m of eligible bank bills at 12 per cent. In band 4 it bought £11m of eligible bank bills at 11⅞ per cent.

CURRENCIES

The dollar lost ground in late trading yesterday, after a firmer start, ahead of the release of U.S. money supply figures. Latest estimates before the close of business tended to be less pessimistic than earlier in the week and with Federal fund rates showing a downward trend, the dollar lost ground. Euro-dollar rates were also weaker and in very quiet and thin trading the dollar closed at DM 2.4775 against the D-mark compared with DM 2.4955 and SwFr 2.1025 from SwFr 2.1225. Against the yen it closed at Y254.0 compared with Y256.1. On Bank of England figures the dollar's trade weighted index fell from 121.3 to 121.0.

Sterling tended to ease in featureless trading. Its index fell to 90.8 from 91.0, having stood at 90.9 at noon and 91.1 at the opening. Against the dollar it traded between $1.7140 and $1.7240 and closed at $1.7220-1.7230, a rise of just 20 points. It fell against the D-mark to DM 4.27 from DM 4.2850 and SwFr 3.6250 from SwFr 3.6525. It was also lower against the French franc at FFr 11.8550 from FFr 11.9450.

THE POUND SPOT AND FORWARD

July 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7140-1.7240	1.7220-1.7230	0.20-0.30c dis	−1.74	0.95-1.05dis	−2.32
Canada	2.1690-2.1790	2.1755-2.1785	0.75-0.85c dis	−4.41	2.28-2.38dis	−4.28
Nethlnd.	4.70-4.75	4.70-4.71	1¼-1⅛c pm	3.83	4¼-3¾ pm	3.40
Belgium	81.30-81.90	81.50-81.60	10-20c dis	−2.21	47-57 dis	−2.55
Denmark	14.75-14.85	14.78-14.79	1-1⅞ore dis	−1.17	8½-9½ dis	−2.38
Ireland	1.2350-1.2485	1.2355-1.2365	0.48-0.61p dis	−5.29	1.61-1.85dis	−5.60
W. Ger.	4.26-4.30	4.26½-4.27½	1½-1pf pm	3.51	3⅞-3⅝ pm	3.40
Portugal	145.50-146.75	146.00-146.50	65-245c dis	−12.72	205-735dis	−12.85
Spain	193.20-194.20	193.70-193.90	105-130c dis	−7.28	405-450 dis	−8.82
Italy	2,391-2,399	2,394-2,396	13-16 lire dis	−7.27	45½-48½dis	−7.85
Norway	10.93-10.99	10.95-10.96	5½-6⅞ore dis	−6.23	10⅝-11¼dis	−4.08
France	11.84½-11.96	11.85-11.86	2-3c dis	−2.53	9¼-10⅝ dis	−3.46
Sweden	10.56-10.60	10.58½-10.59½	1½-2½ore dis	−1.98	5¼-6¼ dis	−2.20
Japan	436-442	437-438	2.10-1.80y pm	5.35	3.50-3.25 pm	4.91
Austria	30.00-30.30	30.03-30.08	12½-9½gro pm	4.38	30¼-24 pm	3.64
Switz.	3.61½-3.68	3.62-3.63	3-2½c pm	8.10	7½-7 pm	8.00

Belgian rate is for convertible francs. Financial franc 86.40-86.50. Six-month forward dollar 2.03-2.13c dis, 12-month 3.70-3.90c dis.

EXCHANGE CROSS RATES

July 16	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.723	4.270	437.5	11.86	3.625	4.705	2305.	2.176	81.55
U.S. Dollar	0.581	1.	2.470	254.0	6.882	2.104	2.731	1390.	1.263	47.34
Deutschemark	0.334	0.403	1.	102.5	2.776	0.840	1.102	560.0	0.510	19.10
Japanese Yen 1,000	2.286	3.937	9.760	1000.	27.10	8.286	10.75	5474.	4.974	186.4
French Franc 10	0.844	1.453	3.602	360.0	10.	3.058	3.969	2020.	1.835	68.79
Swiss Franc	0.276	0.475	1.178	120.7	3.270	1.	1.298	660.7	0.600	22.50
Dutch Guilder	0.213	0.368	0.908	92.99	2.520	0.770	1.	500.0	0.462	17.33
Italian Lira 1,000	0.418	0.710	1.783	182.7	4.950	1.514	1.965	1000.	0.909	34.05
Canadian Dollar	0.460	0.792	1.962	201.1	5.448	1.666	2.162	1101.	1.	34.48
Belgian Franc 100	1.226	2.112	5.236	536.5	14.54	4.445	5.769	2837.	2.668	100.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12½-12⅝	13-13¼	15½-16½	8⅞-9	½-1	8⅝-8¾	14⅜-14⅞	17½-19	14-15	14⅞-15½	7-7¼	14¼-14⅞
7 day's notice	12½-12⅝	13½-13¾	15½-16½	8⅞-9	1-1⅛	8⅞-8⅞	14⅜-14⅞	18¾-20¼	14¼-15¼	15-15¼	7⅛-7¼	14½-14⅞
Month	12⅝-12¾	13⅞-14¼	16¼-16½	8⅞-8¾	3⅝-3⅞	8⅞-8	14⅝-14⅞	19½-20¼	14¼-15¼	15-15¼	7¼-7⅝	13⅞-14¼
Three months	12½-12⅝	14⅛-14⅜	16⅛-16⅜	9⅛-9¼	4¼-4⅜	9-9¼	15⅞-16⅛	20⅝-21	14½-15½	15¼-15⅝	7½-7⅝	15-15⅝
Six months	12⅝-12⅞	15-15¼	16½-17¼	9¼-9⅜	5⅛-5⅜	9¼-9⅜	16¾-17¼	20⅝-21	14⅞-15⅞	15⅛-15⅝	7½-7⅝	16⅜-16⅝
One Year	12⅝-13⅛	14⅞-15⅛	16⅞-17⅛	9½-9⅝	5⅞-5⅝	9¼-9⅝	17½-18	21¾-22⅝	14¾-15⅝	14⅞-15⅛	7⅛-7⅝	17-17⅝

SDR linked deposits: one month 12⅞-12⅞ per cent; three months 12⅞-12⅞ per cent; six months 12¾-13¼ per cent; one year 12⅞-13⅝ per cent.

ECU linked deposits: one month 12-12⅛ per cent; three months 12-12¼ per cent; six months 12⅞-13¼ per cent; one year 13-13⅛ per cent.

Asian $ (closing rates in Singapore): one month 14⅛-14⅜ per cent; three months 14⅞-14⅞ per cent; six months 15⅛-15⅜ per cent; one year 15⅛-15⅜ per cent. Long-term Eurodollar: two years 15-15¼ per cent; three years 15¼-15½ per cent; four years 15¼-15½ per cent; five years 15¼-15⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen, others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 13.70-13.80 per cent; three months 14.20-14.30 per cent; six months 14.45-14.55 per cent; one year 14.50-14.60 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 16)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 13/16	offer 14 15/16	bid 15 3/16	offer 15 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

July 16 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ‡	Eligible Bank Bills ‡	Fine Trade Bills ‡
Overnight	—	12¼-15½	12½-12⅝	—	—	12½-12¾	11-12	—	—	—
2 days notice	—	—	12¼-12⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅝-12⅝	12⅞-12⅝	—	—	12⅝-12⅞	12	—	—	—
One month	12½-12⅜	12⅝-12⅝	12⅛	13-12⅝	12½	12⅞	12	12⅛-12	12⅛	12⅞
Two months	12½-12⅜	12½-12⅜	—	12⅞-12½	12⅜	12⅞	11⅞-12	11⅞	11⅞	12⅞
Three months	12⅜-12¼	12½-12⅜	12⅜	12⅞-12½	12⅜	12⅞	11⅞	11⅝-11¾	11⅞	12⅞
Six months	12⅜-12¼	12½-12⅜	12⅜	12¼-12⅝	12⅜	—	—	—	11⅝-11⅝	12⅜
Nine months	12⅛-12⅞	12½-12⅜	—	12⅜-12⅞	12⅜	—	—	—	—	—
One year	12⅜-12⅞	12⅜-12⅞	12⅛	12⅜-12⅛	12⅜	—	—	—	—	—
Two years	—	—	15⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13 per cent; four years 13¼ per cent; five years 13½ per cent. ‡ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅝-11⅞ per cent; four months trade bills 12½ per cent.

Approximate selling rate for one month Treasury bills 11⅝-11⅞ per cent; two months 11⅝ per cent; three months 11⅝-11¾ per cent. Approximate selling rate for one month bank bills 11⅞-12 per cent; two months 11⅞-11⅞ per cent and three months 11⅝-11⅞ per cent; one month trade bills 12½ per cent; two months 12⅜ per cent; three months 12¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from July 1 1982. London and Scottish Clearing Bank Rates for lending 12 per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Treasury Bills: Average tender rates of discount 11.6339 per cent. Certificates of Deposit (Series 5) 12¾ per cent from July 15. Deposits withdrawn for cash 10½ per cent.

CURRENCY MOVEMENTS

July 16	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.8	−32.6
U.S. dollar	121.0	−12.3
Canadian dollar	87.1	−10.9
Austrian schilling	116.8	−25.8
Belgian franc	94.9	−1.9
Danish kroner	82.0	−14.8
Deutsche mark	124.5	−48.5
Swiss franc	140.6	−96.1
Guilder	115.7	−24.2
French franc	73.5	−23.2
Lira	53.5	−58.5
Yen	135.0	−26.3

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

July 16	£	$		Note Rates
Argentina Peso	34,779	20,250	Austria	30.00-30.30
Australia Dollar	1.6930-1.7010	0.9878-0.9883	Belgium	86.60-87.60
Brazil Cruzeiro	301.57-302.57	175.40-176.28	Denmark	14.75-14.89
Finland Markka	8.2085-8.2152	4.7620-4.7630	France	11.87-11.97
Greek Drachma	120.552-121.237	70.35-70.45	Germany	4.26½-4.30½
Hong Kong Dollar	10.00-10.11	5.8850-5.8900	Italy	2380-2430
Iran Rial	146	84.70	Japan	441-446
Kuwait Dinar KD	0.4935-0.4945	0.2870-0.2875	Netherlands	4.70½-4.74½
Luxembourg Fr.	81.50-81.60	47.34-47.36	Norway	10.90-11.00
Malaysia Dollar	4.04½-4.05½	2.3560-2.3580	Portugal	143-160
New Zealand Dlr.	2.3240-2.3290	1.3532-1.3552	Spain	185-194
Saudi Arab. Riyal	5.9045-5.9120	3.4355-3.4405	Sweden	10.53-10.63
Singapore Dollar	3.68½-3.69½	2.1305-2.1325	Switzerland	3.63-3.67
Sth. African Rand	1.9907-1.9942	1.1481-1.1094	United States	1.71-1.73
U.A.E. Dirham	6.3030-6.3140	3.6725-3.6740	Yugoslavia	82-95½

* Selling rate.

† Rate shown for Argentina is commercial. Financial rate 63,530-63,930 against sterling 36,700-36,750 against dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.0080	+0.09	−0.09	±1.5501
Danish Krone	8.23400	8.17741	−0.63	−0.87	±1.6430
German D-Mark	2.33379	2.36273	+1.24	+1.06	±1.0658
French Franc	6.61387	6.57415	−0.60	−0.78	±1.3340
Dutch Guilder	2.57371	2.60578	+1.01	+0.83	±1.5004
Irish Punt	0.691011	0.686786	−0.67	−0.85	±1.6631
Italian Lira	1350.27	1320.66	−2.19	−2.19	±4.1363

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

U.K. CONVERTIBLE STOCK 17/7/82

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div∥	Cheap(+) Dear(−)** Current
British Land 12pc Cv 2002	9.60	255.50	333.3	80-97	4.7	2.4	−1.7	−4 to 2	32.6	86.1	20.6	+22.3
Hanson Trust 9½pc Cv 01-06	81.54	120.00	71.4	85-01	8.3	8.0	0.6	1 to 14	83.5	75.3	−6.3	−6.9
Slough Estates 10pc Cv 87-90	5.03	207.50	234.4	78-83	4.8		−2.7	−9 to 1	11.4	4.7	−3.1	−0.4
Slough Estates 8pc Cv 91-94	24.85	96.00	97.5	80-88	8.4	8.6	8.2	4 to 15	27.1	32.0	5.5	−2.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ∥ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ** The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

LONDON STOCK EXCHANGE

Convincing Gilt-edged performance reflects revived interest rate optimism—Drug criticism hits Glaxo

Account Dealing Dates

First Dealings*	Option Declarations	Last Dealings	Account Day
July 5	July 15	July 16	July 26
July 19	July 29	July 30	Aug 9
Aug 2	Aug 12	Aug 13	Aug 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

Optimism about a continuation of the trend towards cheaper money strengthened yesterday following easier money market levels and a fresh fall in the rate on this week's Treasury bill offering. London stock market investors concentrated on Government securities which, after three consecutive days of inconclusive trading, turned in a convincing performance. Revived hopes of cheaper U.S. credit assisted the firmness, as did yesterday's announcement that UK inflation is down to an annual rate of 9.2 per cent.

The authorities were called upon to supply both index-linked and conventional stocks, including amounts of one of the six £100m tranches created last Monday. Treasury 2½ per cent Index-linked 2011 was particularly favoured and the Government broker eventually raised his price for stock. Offerings from other sources were readily absorbed and longer-dated issues rose as much as ⅜. The shorts were less responsible and, with sellers sometimes active, managed only fractional gains; against the trend, selected low-coupon shorts moved slightly lower. The Government Securities index put on 0.15 to 71.19, its highest since November 1980.

The efforts currently being made to avert next Tuesday's rail shutdown were recognised by equity markets, which ended the trading account on a firm note after the recent uncertain spell. Yesterday's better tone was not reflected in the FT Industrial Ordinary share index owing to marked weakness in recent star performer Glaxo and, to a lesser extent, Beecham.

Letters in the medical journal Lancet criticising Glaxo's anti-ulcer drug Zantac induced considerable selling of Glaxo, but the fall of 43 to 753p was hastened by end-account influences. Beecham lost 6 to 290. The combined losses of the two constituents took about 1.4 off the index which closed 0.3 up for a rise on the fortnightly account of 13.7 at 556.7. Speculative interest in equities was fanned by Anglo-Indonesian's agreed bid for Eva Industries.

Hambro Life fall

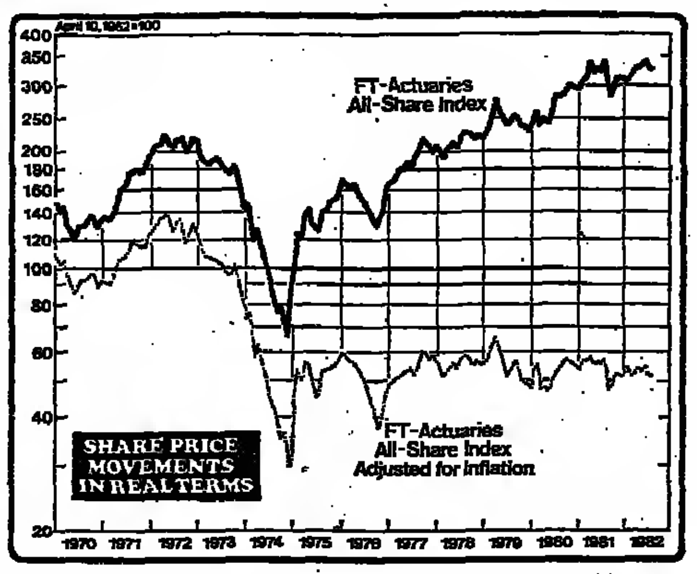
Nervously sold of late ahead of the statement, Hambro Life fell further following the disappointing new life business figures for the half-year and touched 249p before closing 21 down and 36 lower on the week at 251p. In sympathy, Hambros dipped 6 to a 1982 low of 100p and Hambro Trust relinquished a penny to 96p, after 93p. Sun Life also reflected disappointing new life figures and ended 6 cheaper at 374p. Elsewhere in Insurances, Hogg Robinson gave up 3 to 99p ahead of Tuesday's preliminary figures, while a further bout of end-Account profit-taking clipped 5 more from C. E. Heath, at 352p. Composites were inclined harder with GRE up 4 at 280p and Royals 5 dearer at 347p.

Dull earlier in the week on publicity given to an adverse circular, the major clearing banks rallied well on new-time buying ahead of the interim dividend season which Lloyds begins next Friday. Lloyds rose 7 to 382p, while Midland closed the same amount better at 332p. NatWest put on 8 to 440p and Barclays 4 to 376p. Among Discount Houses, Union improved 5 to 450p; the interim figures are scheduled for Wednesday. Elsewhere, First National Finance Corporation put on 1½ to 37p on revived speculative support.

Wines and spirits closed with modest gains with sentiment helped by Thursday's surprisingly good set of preliminary results from Distillers which added a penny to record a gain on the week of 13 at 188p. Arthur Bell added 2 more to 176p, while Macdonald-Martin A improved 20 to 380p, the latter after the announcement that the British Rail Pension Trustees has acquired a 6.5 per cent stake. Leading Breweries were irregular. Arthur Guinness remained firm and added a penny more to 87p, but Whitbread shaded to 111p. Among regionals, Wolverhampton and Dudley, a company that usually enjoys a large measure of brand loyalty, were marked 4 higher at 222p following news of a 3p per pint increase.

Narrow irregular price movements were the order of the day in a quiet Building sector. Blue Circle relinquished a few pence to 439p on lack of support, while similar falls were seen in RMC, 241p, Redland, 171p, and Tarmac, 290p. A. Monk improved 2 more, making an advance of 3 on the week to 72p following the trebled profits and doubled dividend.

With interim figures scheduled for July 29, buyers began to show more interest in ICI and the close was 6 better at 302p. Elsewhere in Chemicals, Allied Colloids put on 2 to 222p as did James Halstead, to 73p.



Leading Stores, having marked time for most of the account, attracted useful new-time buying and closed with modest gains across the board. Burton, 189p, and House of Fraser, 156p, both rose 4, while further consideration of the preliminary results lifted Gussies A 3 to 478p. Debenhams gained the turn to 72p following the annual meeting. Asprey, which announced annual results and a 2-for-1 scrip issue on Thursday, firmed a fraction more to £11¼, while Time Products continued to respond to recovery hopes and added a penny for a gain on the week of 4 to 25p.

Eurotherm up again

Eurotherm continued firmly in Electricals, rising 6 more for a gain on the week of 48 to a 1982 peak of 448p on the good interim figures. Thorn EMI rose 5 more to 405p on further consideration of the annual results and relief that a rights issue did not accompany them. Racal also put on 5, to 465p, after 468p, while Plessey hardened a few pence to 500p. AB Electronics found support and rose 12 to 227p and Lec Refrigeration moved up 7 to 245p.

Despite the continuing paucity of business, leading Engineers finished the week on a slightly firmer note. John Brown edged up 2 to 52½p, while GKN, 143p, and TI, 99½p, both closed a penny firmer. Bid developments helped to relieve the tedium elsewhere in the sector. News of the agreed bid from Anglo-Indonesian left Eva Industries 14 higher at 38p, while Greenbank advanced 9½ to 46p following the company's announcement of a possible offer. Occasional support prompted a gain of 5 to 340p in Ash and Lacy. Howden Group, still benefiting from the preliminary figures, edged up 3 more to 142p, while Gm. Firth improved 2 further to 152p on the return to profitability. Matthew Hall rose 3 to 195p and Drake and Scull ended similarly better at 62p, the last-named awaiting next Wednesday's interim statement. Other bright spots included Westland, 129p, and Babcock, 106p, both a couple of pence dearer. Midland Industries, in contrast, met offerings and gave up 4 to a low for the year of 50p.

The decision by the European Court of Justice to outlaw Britain's restrictions on Continental poultry imports again unsettled Bernard Matthews, another 5 easier at 95p, and J. Bibby, 15 cheaper at 255p. Elsewhere in quiet Foods, further consideration of the preliminary figures lifted Unigate a couple of pence to 88p. S. and W. Berisford eased the turn to 136p, while British Sugar held at 463p pending the European Commission's investigation of Berisford's revived bid for the sugar group.

Glaxo retreat

Having been supported up to an all-time peak of 800p earlier in the week on buying fuelled by a broker's upgraded profits forecast, Glaxo retreated sharply yesterday to 745p before closing a net 43 down at 753p following Italian doctors' criticism in The Lancet of the group's Zantac anti-ulcer drug. Beecham dipped 6 to 290p in sympathy but still drew strength from impressive figures and finished 7 to the good at 197p, while speculative buying fuelled by revived U.S. bid hopes lifted Sothebys 15 to 305p. Investment support was again forthcoming for AGB Research, 18 higher at 305p, and for Extel, 7 up at 337p. Gestetner A improved 3 to 43p ahead of next Wednesday's interim statement, but United Gas Industries, at 135p, lost 5 of the previous day's jump of 40 which greeted the surprise 125p per share cash offer from Hanson Trust.

Leisures featured Old Swan Hotel (Harrogate) which attracted useful new-time support in front of the annual results scheduled for next Friday and closed 6 to the good at 74p, after 76p. Trident TV A, buoyant of late on hopes of a successful appeal against the decision not to renew the licence of the Playboy casino, added a penny for a two-day rise of 6 at 74p.

Newspapers provided a prominent firm feature in Bristol Evening Post; down to 210p in front of the announcement, the shares rallied strongly following the near-doubled annual profits and bonus dividend to close 30 dearer on balance at 243p. Associated, which revealed halved first-half earnings on Thursday, recovered that day's fall of 3 to close at 178p. Bemrose touched 124p and closed 8 down on balance in the wake of overnight announcement that British Printing and Communication has placed its near-20 per cent stake with various institutions following the failure of Bunzl's bid for Bemrose. Both BPCC and Bunzl retained the overnight levels of 34p and 165p respectively.

Leading Properties brought an uninspiring week to quietly firm close. MEPC improved 4 to 177p and Stock Conversion put on a few pence to 280p. Elsewhere, Hammerson A rose 15 to 535p, while Trust Securities hardened 2 to 80p on the interim figures.

Slow day in Oils

The possible repercussions of the conflict between Iraq and Iran made for another slightly firmer trading session in the Oil sector. Trade was again slow and quotations usually closed below the day's best. British Petroleum ended only 2 firmer at 268p, after 270p, while Shell managed a similar improvement to 394p, after touching 396p at one stage. Outside of the leaders, scattered support left Premier with a gain of 2 at 41p.

Movements in Trusts were usually limited to a few pence either way, but Gresham House, depressed recently by adverse Press mention, rallied 6 more to 140p. Among Financials, Exco International eased 5 to 185p and R. P. Martin 7 to 293p, while scattered offerings left Robert Kitchen Taylor with a fall of 6 to 124p.

Attention in Textiles was mainly directed towards smaller-priced counters. Lister attracted renewed speculative support and closed 4 up at 38p, while Stroud Riley Drummond, annual results expected on Monday, rose 3 to 55p.

Golds easier

Quiet conditions returned to mining markets after a week of erratic price changes and wild swings in precious and base-metal prices.

Golds opened lower, reflecting overnight selling in the U.S., and lost further ground as persistent Continental and further American selling was only partly offset by good support from Johannesburg.

The selling pressure followed a $5 downturn in the bullion price to $345 an ounce, although the metal price retained a week's gain of $17 in the wake of the Iran/Iraq conflict and hopes of further cuts in UK and U.S. interest rates.

The Gold Mines index eased 2.9 to 225.0, reducing the gain over the five-day period to 30.5.

Next week brings the quarterly profits from the gold mines in the Barlow Rand, Johnnies, Anglovaal, Gencor and Anglo American Corporation groups as well as interim dividends from Vaal Reefs, Southvaal, Western Deep and South African Land.

Among yesterday's features in Golds, Durban Deep were again outstanding and advanced a further 24 to 720p—170 higher on the week—on continued buying in a market acutely short of stock.

The easier trend in gold and gold shares led to modest selling of South African Financials, among which Gold Fields of South Africa and Johnnies closed around a point down at £27⅞ and £27¼ respectively and Anglo American Corporation fell 8 to 492p.

London Financials were mixed despite the renewed strength of base-metal prices, notably copper. Rio Tinto-Zinc edged up 2 to 392p and Gold Fields a like amount to 382p, but Charter Consolidated dipped 3 to 192p.

Selling in Kuala Lumpur and Singapore unsettled Malaysian Tins, Ayer Hitam and Gopeng Consolidated dropped 10 apiece to respective 1982 lows of 145p and 330p while losses of 5 were common to Sungei Besi, 160p, and Tronoh, 165p.

Australians made a bright start to the week but subsequently gave ground following the record Australian trade deficit, announced on Tuesday, which gave rise to fears of an extended period of high local interest rates.

Business in Traded Options was again disappointing and only 1,043 contracts were done—695 calls and 348 puts. Imperial Group again proved to be the most active series and attracted 259 calls and 89 puts. The week's overall daily average amounted to 1,721.

FINANCIAL TIMES STOCK INDICES

	July 16	July 15	July 14	July 13	July 12	July 9	A year ago
Government Secs.	71.19	71.04	70.86	70.88	71.07	70.44	65.48
Fixed Interest	71.51	71.38	71.66	71.61	71.33	71.00	66.13
Industrial Ord.	556.7	556.4	553.8	554.2	557.5	552.7	523.7
Gold Mines	225.0	227.5	232.2	213.6	207.9	194.5	352.9
Ord. Div. Yield	5.54	5.51	5.58	5.55	5.55	5.57	5.06
Earnings, Yld.% (full)	11.69	11.54	11.59	11.66	11.62	11.70	11.60
P/E Ratio (net) (*)	10.36	10.52	10.48	10.41	10.45	10.38	10.82
Total bargains	16,848	14,826	15,241	16,448	16,021	16,069	17,430
Equity turnover £m.	—	131.52	109.42	116.06	116.52	129.48	171.07
Equity bargains	—	11,679	11,137	12,869	12,039	10,786	12,574

10 am 557.2. 11 am 558.2. Noon 556.3. 1 pm 556.3.
2 pm 556.4. 3 pm 556.5.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=8.67.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	71.19 (16/7)	61.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	71.66 (14/7)	62.70 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	594.0 (3/6)	518.1 (5/1)	597.5 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	151.2 (22/6)	558.5 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	July 15	July 14
Daily		
Gilt Edged Bargains	201.6	197.8
Equities Bargains	76.7	72.2
Value	265.8	207.0
5-day Avrge.		
Gilt-Edged Bargains	206.4	200.2
Equities Bargains	75.2	78.9
Value	240.9	245.0

LEADERS AND LAGGARDS

Percentage changes since December 31, 1981 based on Thursday, July 15, 1982.

Health and H'sehold Products	+47.47	Packaging and Paper	+ 7.32
Tobaccos	+30.06	Textiles	+ 2.86
Electricals	+23.42	Investment Trusts	+ 1.83
Insurance Brokers	+22.33	Food Manufacturing	+ 0.44
Brewers and Distillers	+19.96	Mechanical Engineering	+ 0.28
Food Retailing	+15.01	Insurance (Composite)	+ 0.06
Consumer Group	+14.66	Engineering Contractors	− 2.70
Stores	+12.80	Leisure	− 4.30
Industrial Group	+11.69	Discount Houses	− 4.91
Capital Goods	+ 9.80	Financial Group	− 5.26
Contracting, Construction	+ 8.71	Other Industrial Materials	− 5.33
Shipping and Transport	+ 7.69	Banks	− 8.63
500 Share Index	+ 7.63	Motors	−10.31
Building Materials	+ 7.19	Oils	−11.06
Other Groups	+ 7.08	Overseas Traders	−11.53
Chemicals	+ 7.04	Property	−12.05
Other Consumer	+ 5.80	Metals and Metal Forming	−12.36
Insurance (Life)	+ 5.54	Merchant Banks	−16.56
Newspapers, Publishing	+ 4.39	Mining Finance	−17.28
All-Share Index	+ 4.02	Office Equipment	−19.71
		Gold Mines Index	−25.88

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
July 12	July 23	Oct 14	Oct 25
July 26	Aug 6	Oct 28	Nov 8
Aug 9	Aug 20	Nov 11	Nov 22

For rate indications see end of Share Information Service

Call options were taken out in Lonrho, Tozer Kemsley and Millbourn, Elswick-Hopper, Suter Electrical, Jacksons Bourne End, I. Barget, Turner and Newall, Huntley and Palmer, Howard Tenens, Premier Oil and Trident TV A. No puts were reported. Doubles were struck in Raglan Property Trust, ICI and Lonrho.

RISES AND FALLS YESTERDAY

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	72	3	16	238	77	140
Corpns., Dom. and Foreign Bonds	8	8	62	79	27	274
Industrials	196	210	930	981	1,005	4,691
Financial and Props.	75	98	339	436	428	1,699
Oils	21	24	61	106	126	302
Plantations	1	2	20	2	25	88
Mines	28	51	78	275	136	374
Others	59	40	58	303	201	283
Totals	460	434	1,564	2,418	2,023	7,851

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri July 16 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs July 15 Index No.	Wed July 14 Index No.	Tues July 13 Index No.	Mon July 12 Index No.	Year ago (approx.) Index No.	1982 High	1982 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (209)	393.21	[illegible]	9.59	4.28	12.95	393.51	393.79	393.79	394.97	347.94	403.71	351.14	403.71	50.71
[illegible]														

FIXED INTEREST

PRICE INDICES	Fri July 16	Day's change %	Thurs July 15	xd adj. today	xd adj. 1982 to date
1 British Government 5 years	[illegible]				
[illegible]					

AVERAGE GROSS REDEMPTION YIELDS	Fri July 16	Thurs July 15	Year ago (approx.)	1982 Highs	1982 Lows
[illegible]					

Equity section or group	Base date	Base value
[illegible]		

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −	Div.	Times covered	Gross Yield	P.E. Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. [illegible]

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (60)

BRITISH FUNDS (31)

CORPORATION LOANS (1)
LCC 5½pc 1985-87

LOANS, Financial (1)
FFI 6¼pc Ob. '81-84

AMERICANS (4)
Abbott Labs. Rockwell Intl.
I.B.M. Corp. TRW Inc.

BUILDINGS (2)
Carr (John) Monk (A.)

CHEMICALS (3)
Allied Colloids Halstead (J.)
Fisons

ELECTRICALS (4)
A.B. Electronic Motorola
Eurotherm Racal Electronics

ENGINEERING (4)
Crown House Greenbank
Eva Industries Turriff

FOODS (1)
Safeway

INDUSTRIALS (3)
AGB Research Siebe Gorman
Fobel Int.

LEISURE (2)
Old Swan (H'gate) 21st Century Dist.

MOTORS (1)
Brit. Car Auction

NEWSPAPERS (1)
Bristol Post.

OILS (2)
Lond. Am. Energy N-V Lond. Amer. Energy Inv.

NEW LOWS (64)

AMERICANS (1)
Continental Illinois

BANKS (2)
Bank N.S.W. Hambros

BUILDINGS (6)
Cement Roadstone Raine Inds.
Crouch Group Taylor Woodrow
Ibstock Johnsen Wiggins Group

STORES (5)
Bakers Stores Peters Stores
Currys Readicut
Helene of London

ELECTRICALS (2)
Forward Tech. Molynx

ENGINEERING (4)
Midland Inds. Priest (B.)
Moss Eng. Smith Whitworth

INDUSTRIALS (12)
Avon Rubber Flexello
Cenlox Foseco Minsep
BB & EA I.C. Inds.
Cape Inds. Lead Inds.
Christie-Tyler Steetley
Fletcher Challenge Stonehill

INSURANCE (1)
Hambro Life

MOTORS (2)
Automotive Celfyns

PAPERS (1)
Brunning Res. Vtg.

PROPERTY (4)
Amalg'd Estates Property Prtnrshp.
Morland Secs. Westminster Prop.

SHIPPING (1)
Runciman (W.)

TEXTILES (4)
S.E.E.T. Stoddard A
Shaw Carpets Tootal

TRUSTS (8)
Fulcrum Inc. North Sea Assets
G.T. Global Rec. Scot. Cities A
Gen. Stockholders Bonusbond
Murray North B Hambro Trust

OILS (4)
Brit. Can. Res. TR Energy
Buala Res. Westfort Pet.

MINES (7)
Jimberlana Supreme Corp.
Ayer Hitam Tongkah
Gopeng Cons. Tronoh
Malaysia Mining

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Beecham	290	− 6	Hambro Life	251	−21
Bemrose	132	− 8	Imperial Group	97	− 1
Bristol Evening Post	243	+30	NatWest Bank	440	+ 8
BP	268	+ 2	Sun Life	374	− 6
Durban Deep	720	+24	Sytone	197	+ 7
Glaxo	753	−43	Vaal Reefs	£27	+ 0¼

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Thorn EMI	25	400	+10	RTZ	13	390	+ 3
Bowater	22	193	+ 7	Bulmer (H. P.)	12	478	+19
Distillers	21	187	+13	Glaxo	12	796	+ 3
Dowty	18	144	+ 9	London & Mid.	12	88	+ 8
Cons. Gold	16	380	+ 7	LASMO	12	305	+10
Cable Wireless	14	[illegible]	[illegible]	Beecham	11	[illegible]	[illegible]
Trident TV "A"	[illegible]	[illegible]	[illegible]	BP	[illegible]	[illegible]	[illegible]

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
[illegible]							

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd. (z)
1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	228.7	[illegible]	.....	—
Equity Fund	49.1	[illegible]	.....	—
Property Acc.	267.9	[illegible]	.....	—
Equity Acc.	46.7	[illegible]	.....	—
Selective Fund	147.6	[illegible]	.....	—
Money Fund	167.6	[illegible]	.....	—
Convertible Fund	179.9	[illegible]	.....	—
Prop. Fd. Ser. 4	211.1	[illegible]	.....	—
Equity Ser. 4	54.8	[illegible]	.....	—
Man. Ser. 4	199.3	[illegible]	.....	—
Money Ser. 4	152.0	[illegible]	.....	—
Conv. Ser. 4	152.2	[illegible]	.....	—
Fixed Int. Fd. Ser. 4	119.8	[illegible]	.....	—
American Ser. 4	110.9	[illegible]	+1.2	—
High Inc. Ser. 4	115.5	[illegible]	.....	—
Indexed Inv. Series 4	97.0	[illegible]	.....	—
Pension Property	319.8	[illegible]	.....	—
Pension Equity	285.0	[illegible]	.....	—
Pension Selective	149.0	[illegible]	.....	—
Pension Managed	297.3	[illegible]	+0.2	—
Pension Security	224.3	[illegible]	.....	—
Pension Fixed Int.	117.4	[illegible]	+0.4	—
Pension Indexed Inv.	97.2	[illegible]	.....	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	318.6	335.3	+0.1	—
Fixed Int. Acc.	200.7	211.2	+0.4	—
Gtd. Money Fd. Ac.	157.2	165.5	+0.1	—
Intl. Man. Fd. Acm.	139.9	147.2	+0.4	—
Intl. Fxd. Int. Fd.	109.0	114.7	+0.3	—
Prop. Fd. Acc.	159.8	168.3	.....	—
M'ple Inv. Acc.	249.3	262.4	+0.4	—
Equity Pen. Fd. Acc.	437.2	460.2	+0.3	—
Fixed I. Pen. Acc.	326.1	343.2	+1.0	—
G'td. Mon. Pen. Acc.	218.6	230.1	+0.2	—
Intl. Mn. PnFdAcc.	161.2	169.7	+0.5	—
Prop. Pen. Acc.	211.1	222.2	.....	—
M'ple Inv. Pen. Acc.	361.9	380.9	+0.6	—

AMEV Life Assurance Ltd.
2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	194.5	205.0	.....	—
Money Fd.	144.4	152.0	.....	—
Equity Fd.	150.5	158.6	.....	—
Fixed Int. Fd.	97.6	102.8	.....	—
Property Fd.	154.3	162.6	.....	—
Managed Pen. Fd.	177.0	186.5	.....	—
Equity Pension Fd.	100.5	105.9	.....	—
Fixed Int. Pens. Fd.	127.9	134.8	.....	—
High Yield Pens. Fd.	127.5	134.4	.....	—
Money Pension Fd.	113.8	119.8	.....	—
Property Pension Fd.	112.1	118.1	.....	—
AMEV/Framlington				
American & Gen. Fd.	139.5	147.0	.....	—
Income Fd.	135.4	142.7	.....	—
Intl. Growth Fd.	150.6	158.7	.....	—
Capital Fund	140.5	148.0	+0.3	—
Recovery Fund	97.0	102.2	.....	—

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544

Barclaybonds	172.9	182.0	+0.4	—
Equity	168.6	177.5	+0.1	—
Gilt-edged	138.2	145.2	+0.1	—
International	104.7	110.3	+0.3	—
Managed	148.8	156.7	+0.3	—
Money	135.3	142.5	.....	—
Property	178.5	187.9	.....	—
Man. Pens. Accum.	176.8	186.2	.....	—
Do. Initial	152.5	160.6	.....	—
Gilt EdgPens. Acc.	167.4	176.3	.....	—
Do. Initial	139.7	147.1	.....	—
Money Pens. Acc.	164.4	173.1	.....	—
Do. Initial	138.2	145.5	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		187.32	.....	—
Managed Inv. Fd.	132.41	139.38	.....	—
Property Fd.	136.40	143.58	.....	—
Fixed Interest Fd.	118.78	125.04	.....	—
Cash Fd.	126.73	133.40	.....	—
Income Fd.	120.05	126.37	.....	—
Extra Income Fd.	117.60	123.79	.....	—
Worldwide Growth Fd.	149.82	157.71	.....	—

Crown Life—Continued

St. George Mangd. Fd.	110.7	[illegible]	+0.5	—
Lincs & Gen. Fd.	114.0	[illegible]	—1.4	—
Sage Fd.	85.5	[illegible]	+1.1	—
Heritage Fd.	99.3	[illegible]	+1.1	—
DBS Managed	104.2	[illegible]	+0.8	—
Crown. Brit. Inv. A		277.2	.....	—
Pens. Mixed. Fd.	149.7	[illegible]	.....	—
Pens. Mang'd. Acc.	111.6	[illegible]	.....	—
Pens. Mang'd. Init.	207.5	[illegible]	.....	—
Pens. Equity Acc.	100.8	[illegible]	.....	—
Pens. Equity Init.	96.8	[illegible]	.....	—
Pens. Fxd. Int. Acc.	109.7	[illegible]	.....	—
Pens. Fxd. Int. Init.	105.6	[illegible]	.....	—
Pens. Money Acc.	109.6	[illegible]	.....	—
Pens. Money Init.	105.3	[illegible]	.....	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq., EC3N 4DJ. 488 2323

Growth Prop July 6	101.1	111.2	.....	—
Managed Pens. June 9.	117.24	123.41	.....	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	78.9	81.8	+0.2	6.08

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	186.8	196.6	.....	—
Higher Inc. Fund	119.6	125.8	.....	—
Property Fund	192.3	202.4	.....	—
Fixed Interest Fund	145.1	152.7	.....	—
Index Linked Secs Fnd.	93.5	98.4	.....	—
Gtd. Deposit Fund	136.1	143.2	.....	—
Nth. America Fund	105.0	110.5	.....	—
Far East Fund	81.8	86.1	.....	—
International Fund	96.8	101.8	.....	—
Mixed Fund	167.7	176.5	.....	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	186.1	195.9	—4.5	—
Ind. Pen. Property	145.6	153.2	+1.6	—
Ind. Pen. Fixed Int.	140.5	148.3	+2.7	—
Ind. Pen. Indx Lk. Scs.	102.8	108.2	—0.1	—
Ind. Pen. Overseas	146.0	153.6	+1.0	—
Ind. Pen. Cas	136.9	144.1	+0.5	—
Ind. Pen. Balanced	153.3	161.3	—0.6	—
Ind. Pen. Dep. Admin.	136.9	144.1	+1.5	—

Prices at June 10. Next settlement July 15.
Group Pension Funds—Prices Available On Request.

Family Assurance Society
68, East Street, Horsham. 0403 50255

Family A. Managed	163.6	167.0	.....	—
Family B. Managed	89.3	91.2	.....	—
Family C. Brk.	72.3	73.8	.....	—
Family D. Fixed Int.	110.0	112.3	.....	—
Family Capital Mngd.	88.9	90.7	.....	—
Family Brit. II	54.2	55.4	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Pen Bond Fund	96.8	101.9	+0.6	—
GT Pln High Yld Fnd.	90.7	95.5	+0.1	—
GT Plan Far East Fnd	86.4	91.0	—0.1	—
GT Pln N Am Fund	95.5	100.6	+2.0	—
GT Pln UK&G.E. Fnd	97.5	102.7	.....	—
GT Pln Wrldwde Fnd.	86.1	90.7	+0.2	—
GT Pension Bnd Fnd.	97.4	102.6	+0.5	—
GT Pen High Yld Fd.	95.6	100.7	+0.1	—
GT Pen Far East Fd.	87.6	92.3	—0.1	—
GT Pen N. Am. Fd.	98.2	103.4	+2.1	—
GT Pen UK & G.E. Fd.	102.1	107.5	.....	—
GT Pen Worldwide Fd.	86.8	91.4	+0.2	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	141.7	149.2	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		189.0	—0.4	—
Portfolio Fd. Init.		164.3	—0.9	—
Portfolio Fd. Cap.		185.0	—0.7	—
Portfolio Man. Acc.	58.1	61.2	.....	—
Portfolio Man. Init.	52.6	55.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU. 01-377 1122

Flexible Finance		1,298	.....	—
Landbank Secs.		59.74	.....	—

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.93	12.53	.....	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gwth. July 6		62.02920	.....	—
MltGwth ACap July 12	202.92	[illegible]	.....	—
Op. 8 Prop. A July 15	226.4	[illegible]	.....	—
Op. 8 Equity July 15	217.7	[illegible]	.....	—
Op. 8 Hy. July 15	202.0	[illegible]	.....	—
Op. 8 Man. July 15	234.4	[illegible]	.....	—
Op. 8 Dep. July 15	170.0	[illegible]	.....	—
Op. In. B July 15	117.8	[illegible]	.....	—
Op. 8 Inc. D July 8	102.7	[illegible]	.....	—
Op. In. Md July 15	118.1	[illegible]	.....	—
U.S. $ F. L July 15	109.0	[illegible]	.....	—
O & G Pp. Fd. July 15	98.0	[illegible]	.....	—
Pens. Pr. Ac. July 15	237.5	[illegible]	.....	—
Pens. Pr. Cp. July 15	179.3	[illegible]	.....	—
Pens. Eq. Ac. July 15	565.0	[illegible]	.....	—
Pens. Eq. Cp. July 15	426.6	[illegible]	.....	—
Pens. Fxd. Ac. July 15	274.4	[illegible]	.....	—
Pens. Fxd. July 15	207.2	[illegible]	.....	—
Pns. Mng. Ac. July 15	378.3	[illegible]	.....	—
Pens. Mng. Cp. July 15	285.6	[illegible]	.....	—
Pens. Op. Ac. July 15	245.5	[illegible]	.....	—
Pens. Op. Cp. July 15	185.4	[illegible]	.....	—
Britannia Funds—Series A				
Am. Smlr. Co's July 14	85.5	[illegible]	.....	—
Am. Spec. Sits. July 14	102.2	[illegible]	.....	—
Commodity July 14	75.8	[illegible]	.....	—
Extra Inc. July 14	88.6	[illegible]	.....	—
Far East July 14	84.2	[illegible]	.....	—
Fin. Secs. July 14	104.1	[illegible]	.....	—
Gold & Gen July 14	50.6	[illegible]	.....	—
Growth July 14	79.7	[illegible]	.....	—
Inc. & Growth July 14	102.2	[illegible]	.....	—
Int. Growth July 14	85.2	[illegible]	.....	—
Japan Prf. July 14	74.4	[illegible]	.....	—
Minerals July 14	57.3	[illegible]	.....	—
Nat. High Inc. July 14	96.5	[illegible]	.....	—
Prop. Shs. July 14	80.6	[illegible]	.....	—
Sp. Mkt. July 14	85.0	[illegible]	.....	—
Recovery July 14	74.4	[illegible]	.....	—
Smaller Cos. July 14	111.9	[illegible]	.....	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

Managed Fund	335.1	348.2	+0.6	—
Equity Fund	526.5	534.7	+1.3	—
Property Fund	215.7	227.0	.....	—
Fixed Int. Fund	208.6	219.8	+0.8	—
Deposit Fund	150.0	157.9	+0.2	—

Norwich Union Life Insurance Society Pensionwriter

Fixed Interest*	123.8	130.3	.....	—
Ordinary Share*	120.6	126.9	.....	—
Property*	108.2	113.8	.....	—
Deposit*	104.5	110.0	.....	—
Index Linked Secs.*	103.8	109.2	.....	—
Mixed*	117.8	124.0	.....	—

Prices at July 13.

Nor. Units July 15		304.0	—10.9	—

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Inv. Prop. Dist.	132.9	139.9	.....	—
Inv. Prop. Acc.	176.4	185.7	.....	—
Inv. Equity	173.2	182.4	.....	—
Inv. Managed	159.7	168.2	.....	—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	131.6	138.6	.....	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	178.0	187.5	.....	—
Eb'r. Ph. Eq. E.	112.2	119.4	.....	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

Managed Fund	118.7	126.0	.....	—

Planned Savings Group
68, East Street, Horsham 0403 50255

1st Managed	69.6	74.0	.....	—
1st Fixed Interest	83.0	88.3	.....	—
4th Managed	57.4	61.1	.....	—
5th Managed	66.0	70.3	.....	—
Pension Managed	77.1	82.0	.....	—

OFFSHORE AND OVERSEAS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	95⅜	Exch. 9¼pc 1982	99⅜	.....	9.31	12.45
98¾	94⅞	Exch. 8¼pc 1983	98¾	.....	8.86	11.46
95⅝	91	Exch. 3pc 1983	95⅝xd	.....	3.14	10.84
99¾	95¼	Treasury 12pc 1983‡‡	99¾	.....	12.03	12.27
98	92⅞	Treasury 9½pc '83	97⅝xd	.....	9.45	11.56
102	96⅞	Exch. 13½pc '83	101½	.....	13.30	12.15
98⅜	91⅞	Exch. 10pc 1983	98⅜	.....	10.17	11.24
95½	87⅜	Funding 5½pc '82-84‡‡	95¼xd	.....	5.77	8.95
99½	91⅞	Exch. 11¼pc 1984	99½xd	+⅜	11.31	11.62
102⅝	96¼	Exchequer 14pc 1984	102⅝	+¼	13.64	12.31
89¾	81⅛	Exch. 3pc 1984	89½	.....	3.35	9.08
99¾	91½	Treasury 12pc 1984	99¼	+⅛	12.09	12.33
105	96¼	Treasury 15pc 1985	105	+⅜	14.29	12.70
98⅝	89½	Exch. 12pc Cnv. '85	98⅝	+⅛	12.17	12.58
85	73½	Treasury 3pc 1985	84½	−¼	3.55	9.33
97⅞	87½	Treasury 11½pc 1985	97⅝xd	+⅛	11.78	12.47
98⅞	88⅝	Exch. 12¼pc 1985	98⅞	+¼	12.39	12.62
97½	86⅛	Exch. 11¾pc '86	97½	+⅛	12.05	12.62
81½	69	Treasury 3pc 1986	81	−¼	3.70	8.96
97⅞	86¼	Treasury 12pc '86	97⅞	+⅛	12.26	12.68
91	80⅛	Treasury 8¾pc '84-86‡‡	91	.....	9.34	11.37
30⅞	25⅝	Treas 12½pc '86 (£30pd)	30⅞	+⅛	12.42	12.71
103⅛	91⅞	Exch. 14pc 1986	103⅛	+⅛	13.58	12.99
103⅞	90	Exch. 13¼pc 1987	101xd	+⅛	13.12	12.94
84⅛	73⅞	Funding 6½pc '85-87‡‡	84⅛	.....	7.73	10.82
77	64½	Treasury 3pc 1987	76⅝xd	−⅛	5.92	0.91
		Five to Fifteen Years				
98⅞	85¾	Treas. 12pc 1987	98⅞	+⅜	12.45	12.94
85⅛	72½	Treasury 7¾pc '85-88‡‡	84½xd	+¼	9.15	11.58
71¼	60⅛	Transport 3pc '78-88	71¼	+⅛	4.21	9.60
96⅛	79⅞	Treasury 11½pc 1989	90⅝xd	+¼	12.54	13.45
72	62½	Treasury 5pc '86-89	72	+⅛	7.07	10.96
101½	85⅞	Treasury 13pc 1990‡‡	98½xd	+½	13.26	13.42
98⅞	85⅝	Exch. 12½pc 1990	98⅞	+¼	13.19	13.59
81⅜	70⅛	Treasury 8¼pc '87-90‡‡	81⅜	+⅛	10.23	12.12
93½	77⅞	Treasury 11¾pc 1991	91¼	+⅜	12.92	13.56
68⅞	59¾	Funding 5¾pc '87-91‡‡	68⅞	+⅛	8.55	11.88
89⅜	76⅞	Exch. 11pc 1991	89⅜	+⅜	12.67	13.52
99½	81⅞	Treasury 12¾pc '92‡‡	96¼xd	+⅝	13.23	13.43
86⅛	70	Treasury 10pc 1992	82⅜xd	+⅜	12.01	13.12
97¼	80⅞	Exch. 12¾pc '92	97¼	+⅜	13.18	13.56
103¾	88⅝	Exchequer 13½pc '92	103¾	+⅜	13.59	13.59
97¼	80¾	Treasury 12½pc '93‡‡	94¾	+⅜	13.22	13.46
65⅛	56⅛	Funding 6pc 1993‡‡	65⅛	+⅛	9.52	12.11
104	88	Treasury 13¾pc 1993‡‡	103⅛	+⅛	13.62	13.55
111⅛	91⅝	Treasury 14½pc '94‡‡	111⅛	+⅜	13.74	13.52
102¼	86¾	Exchequer 13½pc 1994	102¼	+⅜	13.61	13.62
98¾	80⅛	Exch. 12½pc 1994	93¾xd	+¼	13.08	13.46
78⅜	66¾	Treasury 9pc '94‡‡	78⅜	+¼	11.72	12.76
94¼	76½	Treasury 12pc '95	91½xd	+⅜	13.14	13.44
47⅞	42⅝	Gas 3pc '90/95	47¼	+⅛	6.44	10.79
84¾	68½	Exch. 10¼pc 1995	82xd	+¼	12.49	13.17
99⅜	83¼	Treasury 12¾pc '95‡‡	98½	+⅜	13.25	13.34
106⅝	86¼	Treas. 14pc '96	102⅝xd	+⅛	13.63	13.55
78¼	66⅝	Treasury 9pc '92/96‡‡	78¼	+¼	11.90	12.81
114⅞	96	Treasury 15¼pc '96‡‡	113⅝	+½	13.81	13.54
102⅞	86	Exchequer 13¼pc '96‡‡	102⅛	+⅝	13.28	13.27
47	43⅝	Redemption 3pc 1986-96	46¼	.....	6.62	10.47
103½	83½	Treasury 13¼pc '97‡‡	99⅞xd	+⅜	13.25	13.25
87⅝	69⅝	Exchequer 10½pc 1997	83½xd	+⅜	12.49	12.36
		Over Fifteen Years				
77⅛	64	Treasury 8¾pc 1997‡‡	77⅛	+¼	11.86	12.68
112¾	94¼	Exch. 15pc 1997	112¾	+⅜	13.72	13.52
64	54½	Treasury 6¾pc '95-98‡‡	63½	+⅜	10.88	12.23
117¼	99½	Treas. 15½pc '98‡‡	117¼	+⅝	13.71	13.48
94¾	78¾	Exch. 12pc 1998	94½	+⅜	12.97	13.10
80⅝	66	Treasury 9½pc 1999‡‡	78⅛xd	+⅛	12.18	12.71
97¼	81¼	Exch. 12¼pc 1999	97¼	+⅜	13.05	13.15
85⅜	71⅛	Treasury 10½pc 1999	85¼	+¼	12.58	12.92
102¾	82¼	Treas. 13pc 2000	99½xd	+⅜	13.09	13.18
107	89	Treas. 14pc '98-01	106½	+⅜	13.43	13.35
96⅛	76½	Exch. 12pc '99-02	92⅞xd	+⅜	12.91	12.96
107¼	85⅞	Treas. 13¾pc 2000-03	103¾xd	+⅜	13.27	13.22
94½	78¼	Treasury 11½pc '01-04	94½	+⅜	12.69	12.77
38	33¼	Funding 3½pc '99-04	36⅞	+⅜	9.50	11.38
99⅜	81⅝	Treasury 12½pc '03-05	99½	+⅜	12.87	12.91
69¾	59¾	Treasury 8pc '02-06‡‡	69¾	+¼	11.86	12.20
95⅝	75⅞	Treasury 11¾pc 03-07	92½xd	+⅜	12.74	12.79
108⅛	90	Treas. 13½pc '04-08	108⅛	+⅜	13.00	12.95
51	44¼	Treasury 5½pc '08-12‡‡	50⅞	+⅛	11.25	11.65
67⅛	55⅝	Treasury 7¾pc '12-15‡‡	65½xd	+¼	11.87	12.02
98	81⅛	Exch. 12pc '13-'17	97¼	+⅜	12.43	12.43
		Undated				
33	27⅞	Consols 4pc	32xd	+⅛	12.44	—
30¼	26⅜	War Loan 3½pc‡‡	29½	+⅛	12.05	—
34¼	31½	Conv. 3½pc '61 Aft.	34¼	+⅛	10.54	—
30	21	Treasury 3pc 66 Aft.	24¼	+⅛	12.83	—
20⅝	17¼	Consols 2½pc	20⅝	+⅛	12.18	—
20⅝	17⅝	Treasury 2½pc	20⅝	+⅛	12.58	—
		Index-Linked & Variable Rate				
100⅛	99⅜	Treas. Variable '83	100⅛	.....	12.24	12.07
97¾	95	Do. 2pc I.L. '88	97¾	.....	2.06	2.85
106	93	Do. 2pc I.L. '96	100	.....	2.32	3.00
101½	86⅛	Do. 2pc I.L. '06	93½	.....	2.37	2.88
104	90	Do. 2½pc I.L. 2011	96 1/16	+1/16	2.65	2.88

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100¾	92¾	Finland 14½pc Ln 1986	100¾	.....	14.39	14.19
99¼	93½	Int. Bank 5pc '77/82	99¼	.....	5.04	12.96
99½	90¾	Do. 13½pc Ln 1986	99xd	.....	13.64	13.93
100⅛	97	Do. 14pc Ln 1987	100¼	.....	13.97	13.93
101¾	94½	Mex 16½pc 2008	97	+1	18.16	19.02
99	90¾	Sweden 13½pc 1986	98½xd	−¼	13.71	13.98

CORPORATION LOANS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
94½	85	Bath 11¼pc 1985	94¼	.....	11.94	13.62
97¾	89¼	Birm'ham 12½pc 1985	97¾	.....	12.80	13.39
99¼	87	Burnley 13pc 1987	98xd	.....	13.26	13.55
91⅞	81⅜	Cardiff 11pc 1986	91⅞	.....	11.97	13.53
100⅜	94¾	G.L.C. 12½pc '83	100 1/16	.....	12.49	12.46
100⅛	94½	Do. 13¼pc 1984	100	.....	13.25	13.15
100	94¾	Glasgow 9¼pc '80-82	99	.....	9.34	12.40
79½	67½	Herts 6¾pc 1985-87	79xd	.....	8.50	12.35
99¾	85	Leeds 13½pc 2006	99½xd	.....	14.18	14.30
94½	87½	Liverpool 9½pc '80-84	94½	.....	10.32	13.17
26	21½	Do. 3½pc Irred.	25xd	.....	14.30	—
100½	95½	Lon. Corp. 13¼pc '83	100¼	.....	13.22	12.96
90½	82¼	Do. 9¼pc '84-85	90¼	.....	10.25	13.02
87¾	78¾	LCC 5½pc '82-84	87½	.....	6.28	12.64
77½	64¼	Do. 5½pc '85-87	77½	+½	7.09	11.62
69	56	Do. 6¾pc '88-90	69	.....	9.79	13.12
22½	19½	Do. 3pc '20 Aft.	22	.....	14.09	—
98	90¼	Sunderland 12¼pc 1984	97⅞	.....	12.52	13.24

COMMONWEALTH AND AFRICAN LOANS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93	85¼	Aust. 6pc 1981-83	93	.....	6.50	12.17
67	57	N.Z. 7¼pc 1988-92	66¼xd	+¼	10.97	13.55
86	74¾	Do. 7½pc '83-86	86xd	.....	0.77	12.27
161	136	S. Rhod. 2½pc Non-Ass.	157	−1	—	—
68	58	Do. 3½pc 80-85 Assd.	68	.....	5.24	17.80
41	32	Do. 4½pc 87-92 Assd.	41xd	+1	10.98	17.40
372	318	Zimbabwe Ann (£100pa)	360	.....	—	21.39

LOANS

Public Board and Ind.

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
66	57¾	Agric. Mt. 5pc '59-89	66	+1	7.57	12.43
30¼	29¾	Met. Wtr. 3pc 'B'	30¾	+¼	10.11	12.66
114	103	U.S.M.C. 9pc 1982	106xd	.....	8.49	—
101½	94	Do. without Warnt	100xd	.....	9.00	—

LOANS—Continued

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Financial				
100¾	95½	FFI 14pc '83	100¾	.....	13.89	13.38
100	94	FFI(UK Fin)5½pcDb. '80-2	100	.....	5.50	13.55
89½	80	Do. 6¼pcDb. '81-84	89½	+½	7.09	12.20
*94½	82½	Do. 10¼pc Uns.Ln. '86	92¼xd	.....	11.35	13.20
92	78	Do. 11pc Uns.Ln. '88	88½xd	.....	12.43	13.50
93	78	Do. 11¾pc Uns.Ln. '90	88½xd	.....	12.28	14.30
94¼	82	Do. 12½pc Un. Ln. 1992	94	+¼	13.90	14.50
65	54	Do. 7¼pcADeb. '89-92	64xd	.....	11.38	14.00
64	53	Do. 7¼pcADeb. '91-94	64	.....	11.71	13.60
74	62	Do. 9pc 'A' '91-94	74	.....	12.65	13.98
70½	57½	Do. 8¾pcLn. '92-97	70½	.....	13.27	14.33
		Building Societies				
100½	98⅛	Nat'wide 14¾pc 11.8.82	100½xd	−⅛	14.73	12.87
100½	98¼	Do. 14¾pc 25.8.82	99⅞	−⅛	14.77	15.64
101	99	Do. 15¾pc 29.9.82	100¼	−⅛	15.34	13.40
101⅞	99¼	Do. 16¼pc 27.10.82	100½	−⅛	16.17	13.72
101	99½	Do. 15¾pc 24.11.82	100½	.....	15.30	13.34
101⅜	99¼	Do. 15¼pc 13.12.82	100⅝	.....	15.15	13.33
102	99¾	Do. 16¼pc 17.1.83	101½xd	.....	16.01	12.87
101¼	100	Do. 15¾pc 7.2.83	101¾xd	.....	15.36	12.22
100⅜	99⅝	Do. 14¼pc 14.3.83	100¼	.....	14.21	13.86
100½	99⅝	Do. 14¼pc 4.4.83	100⅜	.....	14.20	13.69
100⅞	100 1/16	Do. 14¾pc 25.4.83	100¼	.....	14.64	13.70
100⅜	99½	Do. 13⅞pc 25.5.83	100⅜	.....	13.82	13.40

FOREIGN BONDS & RAILS

1982 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
		For Antofagasta see "Recent Issues."				
16	11	Chinese 4½pc 1898	11	.....	—	—
13	9	Do. 5pc 1912	9	.....	—	—
12	7	Do. 5pc 1913	7	.....	—	—
10½	7	Do. 5pc '25 Boxer	7	.....	—	—
44	42	Greek 7pc Ass.	43	.....	3½	8.28
42	40	Do. 6pc 28 Stb. Ass.	41	.....	3	7.58
38	35	Do 4pc Mixed Ass.	38	.....	2	5.26
35	30	Hung. '24 Ass.	31xd	.....	2¾	8.87
102¼	87½	Hydro Quebec 15pc Ln 2011	100½xd	.....	15	15.19
67	58	Iceland 6½pc '83-88	67	.....	6½	14.88
95¼	80	Do. 14½pc Ln. 2016	90¼xd	.....	14½	15.95
99¾	87¾	Ireland 7½pc '81-83	98½xd	.....	7½	14.81
75¾	62½	Do. 9¾pc '91-96	74	.....	9¾	14.77
250	231	Japan 4pc '10 Ass	234	.....	—	—
77	67	Do. 6pc '83-88	68xd	.....	6	13.56
161	161	Peru Ass. 2007	161	.....	5.22	17.52
93¾	79	Pet. Mx 14½pc '06	81xd	.....	14½	18.95
S79	S75	Turin 9pc 1991	S75	.....	9	†12.00
DM90	DM87	Turin 6½pc 1984	DM87	.....	6½	12.10

AMERICANS

1982 High	Low	Stock	Price £	+ or −	Div. Gross	Cvr	Yld Gr's
17⅞	13½	Abbott Labs.$	17⅞xd	+⅜	84c	—	2.6
14¼	11¼	Alcoa 1$	14	+⅛	$1.80	—	7.1
25⅛	10⅝	Amax $1	11⅞xd	.....	20c	—	1.0
15⅝	10⅛	Amdahl	10⅝	.....	40c	—	2.1
28⅝	21⅛	Amer. Express $0.60	21⅞	−⅛	$2.20	—	5.7
13⅝	10¼	Amer. Medical Intl. $1	13⅛	.....	52c	—	2.2
22⅝	16¾	Amer. Nat. Res. $1	17⅜	.....	$3.00	—	9.5
32⅛	28	American T. & T. Co.	30½	.....	$5.40	—	9.3
10¾	909p	Bank America Corpn.	10¼	.....	$1.52	—	8.2
19⅝	15⅜	Bankers N.Y. $10	16¼	+⅛	$2.05	—	7.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS-Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
120	75	Falcon Rh 50c	90	+5	Q25c	10.3	20.7
33	14	Wankie Col. Z$1	19		Q3c	1.2	12.8
21	12	Zam.Cpr SBD0 24	15		—	—	—

Australian

1982 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
23	10	ACM 20c	13		—	—	—
7	1½	[illegible] NL 25c	2½				—
157	58	Bond Corp	90	[illegible]	[illegible]	2.3	10.9
82	58	Bougainville Kina	67	[illegible]	[illegible]	1.4	5.9
192	147	CRA 50c	170		[illegible]		1.8
16	10	Carr Boyd 20c	13				—
56	22	Central Pacific	28	+2	—	—	—
400	152	Coniwell 50c	250	+5			—
26	10	Cons. Pacific NL	11½		—	—	—
27	14	Eagle Corp. 10c	16	1	—	—	—
23	9	Endeavour 20c	10½		—	—	—
368	150	G.M. Kalgoorlie 25c	165	–5	Q32½c	0.9	12.0
10	2½	Great Eastern	4		—	—	—
63	30	Greenbushes Tin 50c	32	–1	Q6c	2.9	13.2
170	134	Hampton Areas 10p	162		3.0	●	2.7
32	11½	Haoma N.W.	12		—	—	—
22	9	Intl. Mining	12		—	—	—
30	9	[illegible] (50cFPd)	9	–1	—	—	—
9½	2¼	Kalbara Min 20c	3		—	—	—
106	38	Kitchener NL 25c	40		—	—	—
14	9	Leichhardt Explr.	9		—	—	—
190	92	[illegible] 25c	107	–1	—	—	—
48	15	Metals Ex. 50c	18	+1	Q3c	1.7	10.0
28	9	[illegible] 20cts.	10		—	—	—
70	3	Mid East Mins. NL	4	–1	—	—	—
202	143	M.I.M. Hldgs. 50c	156	–1	Q5c	●	1.9
57	5	Mincorp 20c	5½		—	—	—
8	3	[illegible] Expl. 25c	3		—	—	—
19	10	Newmetal 20c	16½		—	—	—
30	8½	Nicholas NL	10		—	—	—
160	92	North B. Hill 50c	96	–6	1018c	1.0	‡
84	10	Nth. Kalgurli	15½	+½	—	—	—
123	67	Oakbridge 50c	78		10c½c	1.9	5.0
90	32	Otter N.L.	32		—	—	—
98	34	Pacific Copper	58		—	—	—
150	74	Pancont'l 25c	78		—	—	—

[illegible]

Tins

[illegible]

For Messina see South Africans

Miscellaneous

1982 High	Low	Stock	Price	+ or –	Div Net	Cvr	Yld Gr's
40	20	Anglo-Dominion	21	......	—	—	—
16½	12	Burma Mines 10p	12	......	0.55	1.0	6.5
130	27	Colby Res. Corp.	42	......	—	—	—
292	170	Cons. Murch. 10c.	200	......	†Q60c	1.9	‡
8	4	‡‡Explaura Gold	4	......	—	—	—
105	55	Highwood Res.	65	......	—	—	—
255	160	Northgate C$1	180	......	—	—	—
468	344	R.T.Z.	392	+2	16.0	2.1	5.8
£108½	£84	Do. 9⅞%Cnv.Ln 95-2000	£94	......	Q9½%	30.0	10.1
20	11	Sabina Inds. C$1	11	–1	—	—	—
40	27	♦Southwest C. 10p	32½	+½	—	—	—
500	270	Tara Expln. $1	285	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ● Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- N Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ● Not comparable.
- ● Same interim: reduced final and/or reduced earnings indicated.
- ● Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- ● Rate applicable to non-Zimbabwean residents.

●● Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1980-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

OPTIONS

3-month Call Rates

Industrials					
[illegible]					
Blue Circle	48	Lloyds Bank	42	Land Secs.	28
Boots	19	"Lots"	6½	MEPC	20
Bowaters	24	London Brick	7	Peachey	14
Brit. Aerospace	17	Lucas Inds.	20	Samuel Props.	11
B.A.T.	38	"Mams"	12	Town & City	3½
Brown (J.)	7	Mks. & Spncr.	12		
Burton Ord.	15	Midland Bank	30	Oils	
Cadburys	9	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	10
Debenhams	7	P & O Dfd	14	Charterhall	6
Distillers	15	Plessey	32	KCA	14
Dunlop	6½	Racal Elect.	35	Premier	6
Eagle Star	30	R.H.M.	6½	Shell	30
F.N.F.C.	4	Rank Org. Ord	20	Tricentrol	22
Gen. Accident	28	Reed Intnl.	26	Ultramar	38
Gen. Electric	45	Spillers	6		
Glaxo	42	[illegible]	13	Mines	
Grand Met.	17	Tesco	5	Charter Cons.	25
G.U.S. "A"	45	Thorn EMI	42	Cons. Gold	45
Guardian	25	Trust Houses	13	Lonrho	7
G.K.N.	25	Tube Invest.	11	Rio T. Zinc	42
Hawker Sidd.	30	Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday July 17 1982

MAN IN THE NEWS

A prudent legal reformer

BY RAYMOND HUGHES

AT A RECENT garden party at one of the Inns of Court it was strongly rumoured that Sir John Donaldson was to succeed Lord Denning as Master of the Rolls.

The rumour was not well received in all quarters. "A political appointment," was the view taken by a number of people—not least some of Sir John's brethren on the bench.

What they meant was that political considerations, rather than the interests of the law and the legal profession, would have prevailed were the rumour to prove to have substance.

Well, Sir John has indeed got the job and if, as is believed, he was the preferred candidate of Mrs Thatcher, there may be some truth in the accusation.

But that is far from meaning that Sir John is, or will be a politically - motivated judge. True, he was a Conservative councillor in Croydon between 1949 and 1953; and during his

Sir John Donaldson

time as President of the notorious National Industrial Relations Court, created by a Conservative government, he incurred the wrath of the trade union movement and the Labour Party to such a degree that at one stage there was a move in the House of Commons to impeach him.

True also that, like the vast majority of judges and lawyers, Sir John is broadly conservative in his attitudes. But judges are independent of governments and political parties, and far more likely to be influenced by their fellow judges than by politicians.

In a recent trade union case Sir John observed, dissenting from Lord Denning, that the court was being invited to apply considerations of political rather than public policy, and "this I absolutely decline to do."

One suspects that he will be concerned to remove the taint of eccentricity that has attached to the office of Master of the Rolls through Lord Denning, and strive to act in a more conventionally judicial manner — to be a reformer, but a prudent one, not sticking his neck out as Lord Denning has.

Sir John has never accepted the "political" tag. He once claimed that his attitude towards politics was "much the same as that of a monk towards sex: nostalgic memories of youthful indiscretion, a frank acknowledgement of its attractions, an unshakeable conviction that I could do better than those currently engaged in it, but an acceptance that it can never be for me until I go to a far better world."

The notoriety the NIRC achieved through some of its more sensational cases obscured the fair, conciliatory and generally moderate way Sir John dealt with the hundreds of cases that came before him, and the fact that it was always the rule of law rather than political considerations that guided him.

A more accurate criticism of him might be that he is not in the front rank of legal brains and is regarded by some lawyers as too prone to take short cuts and make hasty judgments.

What is not disputed is his ability as an administrator, and there is every prospect that his appointment will lead to a greater efficiency in the operation of the appeal courts.

As to his personal characteristics, Sir John could hardly be further from the benign and homely eccentricity of Lord Denning. He is eminently practical (his recreations are sailing and DIY): a man of common sense; tough-minded but open-minded; and, partly perhaps as a result of his experience in the Commercial Court, a man with a greater awareness than many of his fellow judges of the real world that exists outside the Royal Courts of Justice.

As Lady Donaldson once remarked: "My husband knows how the world ticks."

Exchange aimed at restructuring industry

Italian chemical plants deal

BY JAMES BUXTON IN ROME

MONTEDISON, ENI and Enoxy, the Italian chemical producers, have reached basic agreement on an exchange of chemical plants. Enoxy, a joint venture between the state-owned ENI and the U.S. group Occidental, will become Europe's biggest producer of low-density polyethylene.

The aim of the exchange is to allow the public sector and private sector members of the industry to concentrate on their own specialities and so overcome the problems of losses and low investment which have affected the Italian chemical industry for a decade.

The Italian arrangement is the second major restructuring deal in the past month aimed at alleviating the problems of overcapacity, reduced demand and weak prices plaguing the European petrochemicals industry.

In June British Petroleum arranged to swap its PVC plastics business in Britain for ICI's low-density polyethylene plastics business.

Discussions have also begun between European Commission officials and representatives of leading companies involved in the chemicals and plastics industries on French proposals for a "crisis cartel" to control production.

Over the past 18 months the Italian industry has closed down more of its petrochemicals capacity than any other EEC country, except for the UK and Belgium, which now has none.

The main transfers in the Italian deal will be from Montedison to Enoxy, which is 50 per cent ENI owned. This will enable Montedison to achieve a higher proportion of more lucrative fine chemicals output, and will entail the transfer of Enoxy of most of the large Brindisi chemicals complex.

ENI will also transfer some plant, including its facilities at Gela in Sicily, to Montedison. It will pay a sum, expected to be between L400bn and L500bn (£166m-£208m) to Montedison. Agreement on the exact figure and on final details of the transfers, as well as the number of jobs likely to be affected, have still to be worked out.

Once final agreement is reached and this is expected by the end of the year, funds will be needed to invest in new plant to make the rationalised industry more efficient. In the case of Enoxy finance will come from the Italian Government.

Under the agreement, Enoxy will have about 13 per cent of the European market for low-density polyethylene, giving it market leadership in the sector. It will have 18 per cent of the European market for ABS (Acrilonitrile-Butadene-Styrol), putting it second on the European market. By taking over the PVC cycle from Montedison it will go from its present 1 per cent to 6 per cent of the market.

Thanks to transfers of plant from ENI, Montedison will reinforce its position on the European polypropylene market (its share will go up from 15 to 19 per cent) and in polystyrol (rising from 13 to 17 per cent).

Shell plant reprieved, Page 6

Ford plans to build $1bn plant in Portugal

By Diana Smith in Lisbon and John Griffiths in London

FORD is to build a vehicle assembly plant in Portugal with a capacity of 200,000 units a year, Mr Philip Caldwell, chairman of Ford, and Sr Francisco Pinto Balsemao, the Portuguese Prime Minister, announced yesterday.

The total investment will be about $1bn (£581m). Some 5,000 jobs will be created.

Mr Caldwell, who delivered the Ford letter of intent to Sr Balsemao, said there were still "several matters to resolve. I do, however, hope and believe that a final decision can be reached before the end of the year."

The factory would be built in Sines, a new petrochemical and industrial complex in the south, which has a deep-water harbour. Ford's decision would fulfil a dream of attracting a major international concern to the area, justifying Sines as a viable proposition rather than the multi-billion-dollar white elephant it has seemed to many.

The Ford investment represents the largest foreign investment ever planned for Portugal.

Ford plans to export 95 per cent of its output, which would be a major contribution to Portugal's trade imbalance, that suffered a $5.6bn deficit last year.

No details were given of what type of vehicle the plant would produce. The indications, however, are that a new, medium-sized car would be most likely.

Ford already has a small car facility at Valencia in Spain, and by late 1986, or early 1987, when production could begin at Sines, its current medium car range would be ageing.

Ford officials in the UK were quick yesterday to stress that they saw no reason to believe the Portuguese presented a threat to UK manufacturing plants. But, with nearly 50 per cent of Fiestas sold in the UK brought from Spain, yesterday's announcement is bound to cause some union unease.

The Ford plant would be Portugal's largest exporter by the time it came on stream, said Sr Balsemao.

While the project is referred to as an assembly plant, it is regarded as highly unlikely that it would involve only an extension of assembly from kits.

Mr Caldwell indicated that the plant would meet demand for markets outside Europe, and that it was part of Ford's strategy to give priority to expansion outside the U.S.

The agreement was announced as involving Ford Motor Company, the U.S. parent, and it was unclear last night whether the investment would be met wholly or in part from Ford's U.S. or European operations.

BL to renew campaign against 'unfair' tariffs

BY JOHN GRIFFITHS

A THINLY-VEILED ultimatum is shortly to be presented to senior government ministers by Sir Michael Edwardes and the board of BL.

It will call on the Government to seek a lowering of tariff barriers by those countries, notably Spain, where BL says it is suffering from "unfair" competition.

Failing that, BL wants UK import tariffs raised to match-ing levels. In the case of Spain this would mean a rise from 4.4 to 36.7 per cent and possibly higher.

"Unfair" tariffs, however, are just one major part of a campaign it is about to unleash aimed at obtaining a "free but fair" market.

BL attacks the Government's move to liberalise "unofficial" imports—now involving 15,000-20,000 BL cars a year, it claims —and urges the Government to create the right climate for a much higher proportion of Ford, Vauxhall and Talbot cars to be made in the UK.

If none of this is achievable, ministers will be told, BL purchasing policies will be changed "dramatically." This would involve buying many more components overseas, which would have a major adverse impact on the UK parts industry.

Even when the Triumph Acclaim, built under licence from Honda, is taken into account, BL says it still makes 95 per cent of components purchases—worth £600m last year —in the UK.

The themes have been aired in the past by BL, but the intensity of the latest campaign is new. Mr Ray Horrocks, BL Cars chairman, has outlined BL's case to a meeting of local and national union and management chiefs at Longbridge, a video film has been prepared, and MPs' delegations have been organised. Shortly the detailed arguments will be presented to the Trade and Industry Departments.

The campaign comes at a time when BL's UK market share target of 21 per cent this year looks unattainable: it took 18.08 per cent in the first half. The market is also shrinking towards a lower than expected 1.45m and discounting has been prolonged far beyond expectations.

Taken together, these factors indicate that BL is coming to feel that its recovery programme may be at risk. This envisages trading breakeven in 1983 and no more Government funding above the £150m already earmarked for 1983-85.

It is against this background that it is pressing its "unfair" imports case centring on the Spanish intake of about 60,000 Ford Fiestas a year. But Spain is by no means the only problem: 31,000 Comecon cars are sold here while access to Comecon countries is denied; Mitsubishi, and now Toyota, may ship cars from Australia under a 14 per cent tariff, when Australia imposes up to 151 per cent.

Support for Japan exports watch, Page 6

White Paper on BT share sale expected

BY GUY DE JONQUIERES

THE GOVERNMENT is expected to publish early next week a White Paper with proposals which would give it the authority to sell shares in British Telecom (BT) to private investors.

Mr Patrick Jenkin, the Industry Secretary, is expected to tell the Commons that the Government intends to introduce in the autumn a Bill to provide for the establishment of a semi-independent body to regulate the telecommunications industry.

He is likely to emphasise that the planned legislation would mark the opening of a new chapter in the telecommunications liberalisation programme, launched last October, and is intended to reduce direct government control over BT's finances and operations.

The White Paper is expected to contain proposals to turn BT into a public limited company as a preparation for a share sale. But Mr Jenkin will almost certainly not announce next week a firm timetable for the sale.

The Government has not completely ruled out a sale during this Parliament. But it recognises that, once the necessary legislation were passed, practical arrangements would take several months and that investors might be reluctant to commit themselves close to the next general election.

Half of BT's equity would probably remain with the Government, as did that of Cable and Wireless, which was privatised last October.

BT is so large—its net assets are valued at more than £8bn—that its shares would have to be offered in several tranches.

The regulatory body would be charged with ensuring fair competition in telecommunications and would be given authority to supervise tariffs.

The Government's announcement is expected to arouse strong protests from the Post Office Engineering Union, which has consistently opposed on principle privatisation of BT.

But it seems likely that the union, faced by a White Paper, would switch to concentrate on a campaign to secure the most favourable terms for its members. It is expected to seek Government assurances that pension rights would be safeguarded and that BT would not be subjected to special conditions to restrict its scope to compete.

Continued from Page 1

Tory

persistent Tory critics of the Government's strategy, have generally been quiet in recent months, apart from their rebellion over the consequences of the taxation of unemployment benefit last Tuesday.

The "wets" are, however, planning a series of speeches, articles and lobbying after the holidays to urge further Government action on the basis that the Budget hopes have not been realised.

Weather

UK TODAY

CLOUDY with rain, some sunshine.

N and SW England, Midlands, Wales and SW Scotland

SE England

Rather cloudy with rain at times, drier and brighter inland. Max 21C (70F).

N and SE Scotland, N Ireland

Rather cloudy with rain at times, dying out later. Max 19C (66F).

Outlook: Mostly dry

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	30	86	L. Ang.†	C	17	63
Algiers	F	29	84	Luxmbg.	C	21	70
Amsdm.	S	18	66	Luxor	S	39	102
Athens	F	30	86	Madrid		—	—
Bahrain		—	—	Majorca	F	31	88
Barclna.	F	28	82	Malaga	S	30	86
Beirut		—	—	Malta	F	39	102
Belfast	C	16	61	M'chstr.	C	15	59
Belgrd.	S	28	82	Melbne.	C	15	59
Berlin	S	29	84	Mx. C.†		—	—
Biarritz	F	23	73	Miami†		—	—
Bmghm.	C	17	63	Milan	S	31	88
Blackpl.	C	15	59	Montrl.†	F	22	72
Bordx.	S	24	75	Moscow	S	24	75
Boulgn.	F	17	63	Munich	S	29	84
Bristol	F	18	64	Nairobi		—	—
Brussels	F	20	68	Naples	C	32	90
Budpst.	F	29	84	Nassau		—	—
Cairo	S	33	91	Nwcstl.	C	15	66
Cardiff	C	17	63	N. York†		—	—
Cas'b'ca	F	23	73	Nice	C	27	81
Cape T.	S	20	68	Nicosia		—	—
Chicg.†	C	24	75	Oporto	C	19	66
Cologne	F	23	73	Oslo	C	22	72
Cpnhgn.	S	24	75	Paris	F	21	70
Corfu	S	34	93	Perth	F	10	50
Denver†	S	15	88	Prague	S	29	84
Dublin	C	18	61	Rykjvk.	R	11	52
Dbrvnk.	S	28	82	Rhodes	S	29	84
Ednbgh.	C	15	59	Rio J'o†		—	—
Faro	S	22	72	Rome	S	31	88
Florence	S	37	99	Salzbrg.	S	30	86
Frankft.	F	27	81	S'cisco†		—	—
Funchal	C	21	81	S. Mritz.		—	—
Geneva	S	27	81	Singapr.	F	31	88
Gibrltr.	S	24	75	S'tiago†		—	—
Gl'sg'w	C	16	61	Stckhm.	S	27	81
G'rnsey	S	17	63	Strasbg.	S	28	82
Helsinki	S	24	75	Sydney	S	13	55
H. Kong	C	31	88	Tangier	F	23	73
Innsbrk.	S	28	82	Tel Aviv	S	28	82
Invrnse.	C	14	57	Tenerife	F	24	75
I.o.Man		—	—	Tokyo	C	23	73
Istanbul	S	27	81	T'r'nto†	F	21	70
Jersey	S	19	66	Tunis	F	41	106
Jo'burg	S	13	55	Valencia	F	29	84
L. Plms.	S	23	73	Venice	S	31	88
Lisbon	C	20	68	Vienna	S	29	84
Locarno	S	29	84	Warsaw	F	29	84
London	F	19	66	Zurich	F	26	79

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet.
† Noon GMT temperatures.

Continued from Page 1

Inflation rate declines

a question mark, however, over whether the Government's hopes of 7.5 per cent being reached by next spring will be realised or whether the rate will start to crawl up again after settling somewhere over 8 per cent.

Indeed the trend is not quite as good if the changes are compared on a six-monthly rather than a 12-monthly basis. The figures in April, May and June are all higher than those for January, February and March on a six-monthly rate of change in both the all-items index and the index-discounting seasonal food prices.

The retail price inflation rate was 10.3 per cent when the Government took office in May 1979 and rose sharply to a peak of nearly 22 per cent in early 1980.

By January this year, it had receded to 12 per cent and it is now below the EEC average of 10.4 per cent, but still well above the 6.7 per cent inflation rate of the U.S., the 5.3 per cent rate of West Germany and the 2.3 per cent of Japan.

The Organisation for Economic Co-operation and Development average of 8.4 per cent is lower than Britain's, mainly because of the strong downward drag of those three countries. OECD nations with higher inflation rates than Britain are Italy (15.3 per cent), France (13.8 per cent), Spain (15 per cent). Canada (11.8 per cent), and Belgium (9.5 per cent).

The Government's alternative measure of the cost of living—the tax and price index (TPI)—increased to 168 in June (1978=100). The annual rate of TPI increase at 9.4 per cent in June compares with 9.8 per cent in May and 15.6 per cent in January.

The TPI measures the increase in gross taxable income needed to compensate taxpayers for any increase in retail prices and also takes account of the changes to direct taxes including employees' National Insurance contributions.

Both the RPI and TPI are below the latest figures for pay, which show that gross average earnings in the year to May grew by 10.3 per cent. This would indicate that the success in beating inflation has led to a slight improvement in living standards after a year of decline.

THE LEX COLUMN

Glaxo suffers side effects

The gilt-edged market was again hitting 20-month highs last night, despite its worries about the expected bulge in the U.S. money supply, but equities seem to be going nowhere very much. The All-Share Index is up by a mere 4 per cent this year, during which time there has been a full-blown bull market in Government bonds.

As a result, the reverse yield gap has narrowed sharply. Long-dated gilts now yield less than seven percentage points more than the equity average, having been nearly 10 points higher at the turn of the year. This changing relationship can be justified by the pronounced slow-down in the inflation rate, and by the progressive reduction in the forecast rate of growth of corporate profits and dividends.

Yesterday's retail price figures show a six-month annualised rate of increase—an exaggerated measure since it counts the inflation-rich Budget twice—very little different from the 12-month rate of 9.2 per cent. The underlying rate of growth in retail prices may be little more than 6 per cent at the moment.

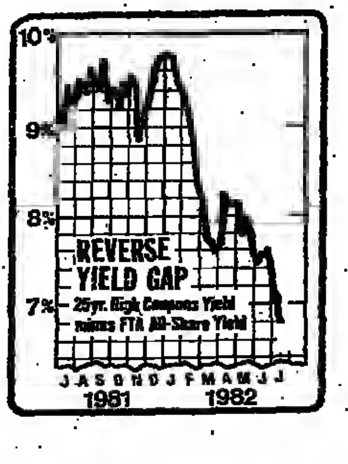
Yet the contrary-thinkers were active in the gilt-edged market yesterday. Despite the falling inflation rate, the Government broker did his best business for months in index-linked stocks. These issues have held steady for several weeks, so that their real yield has been creeping upwards.

Unless inflation slows even further, the reverse yield gap seems unlikely to shrink much more, which means that a rise in gilt-edged prices from the present level would be very likely to pull up equities too. Yet to think of the equity market in terms of the broad indices can be highly misleading. Many industrial companies are still having an extremely difficult time, and the shares of even the best-run recovery candidates have stopped recovering.

Like commuters on the platform during a train strike, fund managers are happy to climb aboard anything that happened to be running, and brokers with genuine stories of growth to tell have been able to cram their clients into shares such as Glaxo and Plessey. Glaxo's shares, 180p two summers ago, touched 800p this week, valuing the company at perhaps 25 times fully-taxed earnings in the year just finished.

Yesterday the shares crashed 43p on reports that Zantac, the ulcer drug that is supposed to push group profits ahead by 40 per cent in 1982-83, produces

Index rose 0.3 to 556.7



side-effects (like most drugs). Some of the buying had been a bit over-enthusiastic, perhaps, and the jobbers were always very short of the stock. Elsewhere in the 30-share Index, TI Group's shares slipped below par value this week, while BP is propped up by little more than its 11 per cent yield.

HME

In its last set of annual figures before Malaysianisation, Harrisons Malaysian Estates has recovered most of the ground lost early in a difficult year. Pre-tax profits for the year to March were down less than 3 per cent to £22.6m.

The trend in prices made the going particularly rough for rubber, where turnover dropped by nearly a fifth and margins collapsed from £100 per tonne to only £16. Since cocoa margins were almost halved, with a smaller crop, HME must have been grateful for a fivefold increase in "other income," to a shade under £2m. Included in the trading surplus this item is made up largely from the group's book surplus after compulsory piecemeal land sales to the Malaysian government.

Yesterday's price of 162p leaves the shares at a discount of 20p to the partial cash offer.

Hambro Life

An uncharacteristic slip in Hambro Life's new business growth rate yesterday sent the share price down by 21p to 251p. Everybody has known that a company which has reached £1.5bn of assets in 11 years cannot be expected to maintain growth rates of 30 or even 25 per cent for ever. But the market was not expecting such poor figures with virtually static single premium business for the half-year to June, and only single figure percentage growth in annual premiums. Other unit-linked life companies are reporting annual premium growth of at least 20 per cent, and Hambro's main rival, Abbey Life, reporting next week, is expected to show at least a 25 per cent rise.

A rationalisation of the direct sales force and a revamp of the product range explain part of the slowdown at Hambro Life, and this effect should only be temporary. A more enduring worry, however, concerns the company's broker outlets. Keeping to the Life Office Association's commission scales, and staying out of certain currently popular tax avoidance contracts, has meant a loss of business to rival offices which are not LOA members. Nevertheless, Hambro Life should be able to achieve a 15 per cent rise in its actuarial surplus for the full year, and a a matching dividend increase would put the shares on a yield of 7.5 per cent.

British Sugar

Did he get a tickle? The timeless peace of Peterborough cricket ground, nestling in the shadow of its great cathedral, was rudely shattered yesterday evening by a violent dispute quite out of keeping with the character of the game. After days at the crease Mr John Boyckett, the man with the sweetest cut in the Eastern counties, threw down his bat and refused to walk when he was given out, caught Berisford bowled Ranks for 470.

Early in the match Boyckett cannily retained his strength, pushing along at a mere 7 runs per hour, but towards the end his distribution became more fluent, and even a striking rate of 45 in the last few overs did not seem to exhaust his current reserves. His innings had been chanceless, except for one nasty moment when, on 335, he was nearly run out after a misunderstanding with the veteran all-rounder J. H. S. Wagg.

As dusk fell last night, gesticulating fielders and Boyckett's voluble new partner, N. M. "Ranji" Rothschild, were arguing bitterly with the square leg umpire, a visitor from Brussels who said he had seen and heard nothing. The other umpire, an anonymous man in an MMC tie, had slunk off to the pavilion.